NOTICE OF A REGULAR MEETING OF THE WINNETKA FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES

The Winnetka Firefighters' Pension Fund Board of Trustees will conduct a regular meeting on **Wednesday, February 13, 2019 at 3:00 pm** at 428 Green Bay Rd. Winnetka, IL 60093 for the purposes set forth in the following agenda:

AGENDA

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of Meeting Minutes
    a.) Regular Meeting – November 14, 2018
    b.) Semi-Annual Review of Closed Session Meeting Minutes
5. Treasurer's Report
    a.) Presentation and Approval of Bills
    b.) Confirmation of Village tax levy for Fund
    c.) Preparations for DOI annual statement, actuarial valuation and audit
6. Investment Report – AndCo Consulting
    a.) Investment Performance Review
    b.) Fixed Income Presentation
    c.) Review/Update Investment Policy, if needed
7. Communications or Reports
    a.) Affidavits of Continued Eligibility
    b.) Statements of Economic Interest
    c.) 2019 IRS Mileage Rate
8. Trustee Training Updates
    a.) First Quarter Insights – Ottosen Britz
    b.) Status of trustee training hours
    c.) Upcoming training opportunities
9. Applications for Membership/Withdrawals from Fund
10. Applications for Retirement/Disability Benefits
11. Old Business
12. New Business
    a.) Approve Annual Cost of Living Adjustments (COLAs) for Pensioners
    b.) IDOI Annual Statement
    c.) Review Trustee Term Expirations and Election Procedures
    d.) Review/Approve – Fiduciary Liability Insurance Renewal
    e.) Reciprocity Update – Johnny Sengmany
    f.) Review/Approve – Attorney engagement letter for 2019
13. Attorney's Report – Ottosen Britz
    a.) Annual Timeline
    b.) Pension Findings Report
    c.) Client Information Update
    d.) Pension Board Rules Project
14. Closed Session, if needed
15. Adjournment

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
WINNETKA FIREFIGHTERS' PENSION FUND
NOVEMBER 14, 2018

A regular meeting of the Board of Trustees of the Winnetka Firefighters' Pension Fund was held on Wednesday, November 14, 2018 at 3:00 p.m. at 428 Green Bay Rd, Winnetka, IL 60093 for the purpose of conducting regular business.

CALL TO ORDER: The meeting was called to order by Trustee Ripka at 3:07 p.m.

ROLL CALL:

PRESENT:	Trustees John Ripka, Mark Fuller, John Sobel, Andrew MacArthur, and Steve Pearson
ABSENT:	None
ALSO PRESENT:	Mary Nye, AndCo Consulting; Tim Sloth, Finance Director; Isabel Copeland, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *August 8, 2018 Regular Meeting Minutes:* The Board reviewed the August 8, 2018 regular meeting minutes. A motion was made by Trustee Fuller and seconded by Trustee Sobel to approve the August 8, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

TREASURER'S REPORT: *Presentation and Approval of Bills:* The Board reviewed the Accounts Payable Invoice Report for the period ending September 30, 2018. Mr. Sloth reviewed the payments and answered all questions. A motion was made by Trustee Fuller and seconded by Trustee MacArthur to accept the Accounts Payable Invoice Report as presented in the amount of $126,909.07. Motion carried unanimously by voice vote.

INVESTMENT REPORT – ANDCO CONSULTING: *Investment Performance Review:* Ms. Nye presented the Investment Performance Review and discussed the long-term market value of the Fund, along with the risk-reward analysis and current and projected market conditions. Ms. Nye presented the Quarterly Investment Report for the period ended September 30, 2018. As of September 30, 2018, the market value of the portfolio is $29,463,610 and the return on investments is $882,464 for the quarter. For the quarter ending September 30, 2018, the portfolio's investment return was 3.06%, net of fees, compared to the total Fund policy benchmark at 2.98%. The portfolio composition is: 49.8% in domestic equities, 11.6% in international equities, 33.0% in domestic fixed income, 4.9% in real estate, and 0.8% in cash and equivalent. Current asset allocations within the equity and fixed income funds were reviewed, as well as individual fund performance, and investment fees. All questions were answered by Ms. Nye.

Ms. Nye recommended the Board rebalance the portfolio. A motion was made by Trustee Fuller and seconded by Trustee MacArthur to rebalance the portfolio and transfer $400,000 from Seizert Capital and $600,000 from Clearbridge and reallocate $500,000 into CS McKee and $500,000 into cash with the option of allocating the $500,000 from cash into a new fixed income manager once it's been identified. Motion carried unanimously by voice vote.

Fixed Income Candidates Review: The Board reviewed the Fixed Income Candidate Review presented by Ms. Nye. The Board discussed hiring Garcia Hamilton as a fixed income manager replacing Great Lakes Advisors. A motion was made by Trustee Fuller and seconded by Trustee Sobel to hire Garcia Hamilton as the new fixed income manager and reallocate the proceeds from Great Lakes Advisors. Motion carried unanimously by voice vote.

Review/Update Investment Policy, if needed: There were no updates necessary to the Investment Policy at this time.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* L&A informed the Board that second request Affidavits were emailed to the outstanding pensioners after the September 21, 2018 due date. To date, three affidavits remain outstanding. The Board authorized L&A to send third request affidavits via certified mail to the outstanding pensioners. Updates will be provided to the Board as they become available.

TRUSTEE TRAINING UPDATE: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all training certificates to L&A for recordkeeping.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Applications for Membership – Ryne Clement and Jack Paplawski:* The Board reviewed the Applications for Membership submitted by Ryne Clement and Jack Paplawski. A motion was made by Trustee MacArthur and seconded by Trustee Ripka to accept Ryne Clement with a hire date of September 24, 2018 and Jack Paplawski with a hire date of October 8, 2018 into the Winnetka Firefighters' Pension Fund, as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Lee Fanslow:* The Board reviewed the regular retirement benefit calculation for Lee Fanslow. Firemedic Fanslow had an entry date of October 16,1984, retirement date of November 28, 2018, effective date of pension of November 29, 2018, 66 years of age at date of retirement, 34 years 1 month and 13 days of creditable service, applicable salary of $102,006.85, applicable pension percentage of 75.00%, amount of originally granted monthly pension of $6,375.43 and amount of originally granted annual pension of $76,505.14. A motion was made by Trustee MacArthur and seconded by Trustee Pearson to approve Lee Fanslow's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

AYES:	Ripka, Fuller, Sobel, MacArthur and Pearson
NAYS:	None
ABSENT:	None

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Board Rules and Forms Project:* This item was tabled for discussion until the next scheduled meeting.

2019 Board Meeting Dates: The Board established the 2019 Board meeting dates as February 13, May 8, August 7 and November 13 at 3:00 pm at 428 Green Bay Rd. Winnetka, Illinois 60093.

Discussion/Possible Action – Lauterbach & Amen Engagement Letter: The Board reviewed the Lauterbach & Amen three-year engagement letter. A motion was made by Trustee Fuller and seconded by Trustee Sobel to engage L&A for three years in the annual amounts as follows: $700.00 for the year ended 12/31/2019; $720.00 for the year ended 12/31/2020; and $745.00 for the year ended 12/31/2021. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT: *Legal Updates:* There were no legal updates at this time.

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

ADJOURNMENT: A motion was made by Trustee Fuller and seconded by Trustee MacArthur to adjourn the meeting at 4:12 p.m. Motion carried unanimously by voice vote.

The next regular meeting of the Winnetka Firefighters' Pension Fund will be held on Wednesday, February 13, 2019 at 3:00 p.m.

Respectfully submitted,

____
Andy MacArthur, Board Secretary

Date Approved by Board: ____

Minutes prepared by Isabel Copeland, Pension Services Administrator, Lauterbach & Amen, LLP

Investment Performance Review
Period Ending December 31, 2018

Village of Winnetka Firefighters' Pension Fund

AndCo Consulting | (844) 44-ANDCO | AndCoConsulting.com

As we start 2019, we first want to say "Thank you" for giving AndCo the opportunity to serve you. On behalf of our entire organization, we are extremely grateful for our client partnerships and we will continue working hard to maintain your trust and confidence. Our mission statement reads – "To represent the sole interest of our clients by redefining independence". We're happy to report we remain steadfast in this core belief and continue to build an organization and service model that is singularly focused and independent. This helps ensure all recommendations are truly in the best interest of our valued clients. We believe this approach will drive value for our client partnerships long into the future.

AndCo also remains committed to delivering high quality, customized services. As we start 2019, we are 89 employees strong advising approximately $90 billion in client assets - both record highs for AndCo. In 2018 we hired 7 new team members including one consultant, two research professionals, one additional compliance officer, one technology administrator and two team members within our client solutions group. All hires were made to better service our clients.

2019 will represent another year of reinvestment in the organization to better serve our clients and make AndCo stronger. For example, we have already hired a new Senior Research Analyst bringing our dedicated research team to 15 professionals. As 2019 progresses, we are targeting additional hires in research, software development, content creation and our client solutions group. We will also be partnering with an external firm this year to conduct an in-depth client assessment to help ensure we are meeting the evolving needs of our clients and exceeding their service expectations. There will be more information regarding this survey from the firm and your consultant over the coming months.

Finally, we just completed our annual Firmwide retreat. This retreat was a great opportunity for our firm to spend time together with colleagues and get a clear understanding of where the company is going, and more importantly, why we're headed in that direction. Since the inception of AndCo, the idea has been to make the firm a multigenerational organization owned and managed by its employees. As a result, since 2015, along with the strategic elements of our annual retreat, we also started the process of announcing new partners of the firm to foster this succession plan and today we have 8 partners controlling 100% of the company.

The evolution of our firm would not be possible without great partners like you. Our name reminds us who we work for every day: "Our Client" &Co. You will always be first in our service approach. As we continue to discuss updates with our firm, please know every decision is made by asking "How does this benefit our clients?" If it doesn't benefit you, we don't do it, it's that simple. We know our clients are facing many challenges and we want to be there to help get you through all environments. We are honored and humbled you have chosen AndCo as your partner. We don't take that relationship for granted and will continue to work tirelessly to exceed your expectations.

On behalf of AndCo, thank you for your valued partnership and the opportunity to serve you.

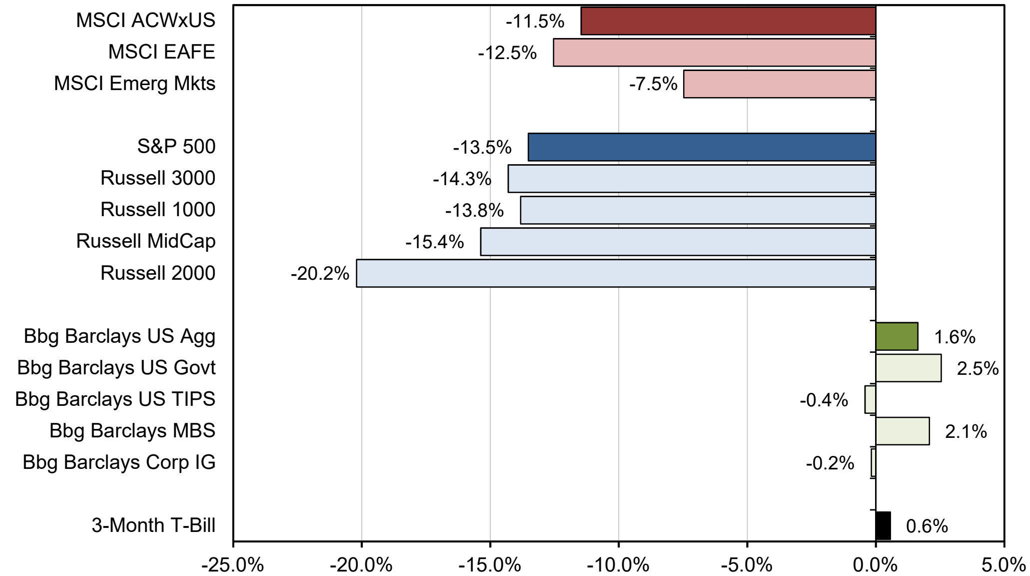
Mike Welker, CFA®
President/CEO

- Markets were volatile to end the 2018 calendar year. Both international and domestic equity markets had considerable losses during the 4th quarter while fixed income returns were muted, but outperformed relative to equities. Within equities, domestic stocks trailed international markets, reversing the 2018 trend of US market strength. Trade tensions between the US and China, midterm elections in US Congress, the effects of ongoing monetary policy tightening by the Federal Reserve (Fed), federal debt ceiling negotiations and the subsequent partial government shutdown outweighed generally positive corporate earnings and macroeconomic data reported during the quarter. The large cap S&P 500 Index returned -13.5% during the quarter while the small cap Russell 2000 Index fell by over 20% for the period. The drop in equity prices over the last three months was enough to take the returns for major US equity indices into negative territory for the 2018 calendar year. Returns over the 1-year period were -4.4% and -11.0% for the S&P 500 and Russell 2000 respectively.

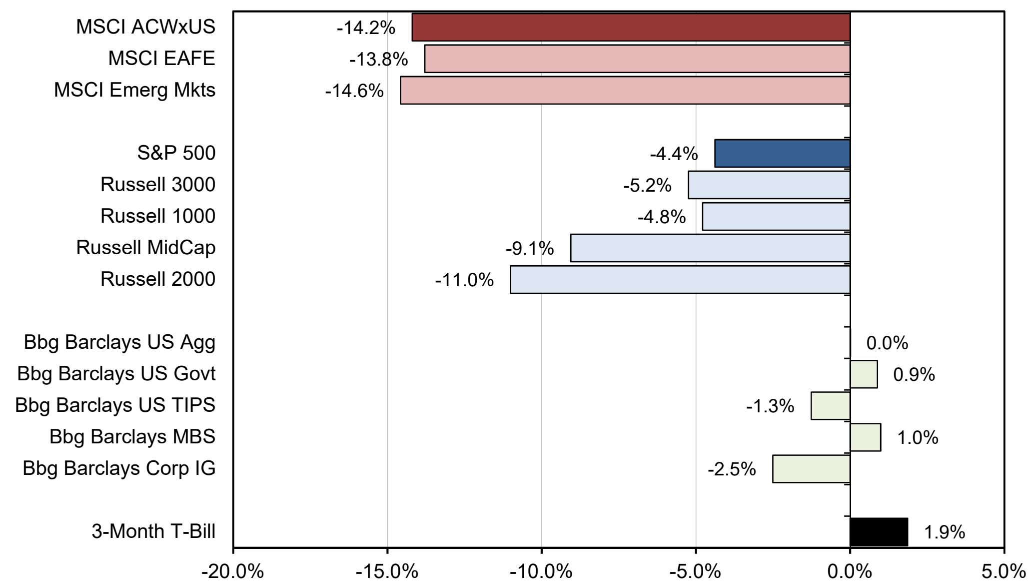
- Similar to US equities, international equity index returns finished the quarter in negative territory with the MSCI ACWI ex US Index returning -11.5%. International markets faced headwinds from softening global macroeconomic data, tightening global monetary policy, uncertainty around Brexit negotiations, turmoil surrounding global trade relations, falling commodity prices and continued US Dollar (USD) strength. The developed market MSCI EAFE Index fell -12.5% during the 4th quarter, ending the year down -13.8%. Emerging markets performed well by comparison, only losing -7.5% during the quarter. Despite the 4th quarter outperformance, returns for emerging market equities trailed developed markets over the 1-year period with the MSCI Emerging Markets Index returning -14.6% versus a -13.8% return for the MSCI EAFE Index.

- Fixed income securities outperformed equities through both the 4th quarter and calendar year 2018 with the broad market Bloomberg Barclays Aggregate Index returning 1.6% and 0.0% respectively. Interest rates on the US Treasury Yield Curve continued their 2018 flattening trend as short-term rates increased to near-term highs while long- term rates fell during the quarter. Some of the increase in short-term rates can be attributed to the late December Fed interest rate hike. This marked the fourth Fed interest rate increase of 2018. This movement in rates did lead to some short-term rates being higher than those of longer dated maturities. More conservative fixed income sectors such as Treasuries and mortgage backed securities outperformed during the quarter and for the year as investors moved toward the relative safety these securities provide while widening credit spreads acted as a headwind to corporate issues.

Quarter Performance



1-Year Performance



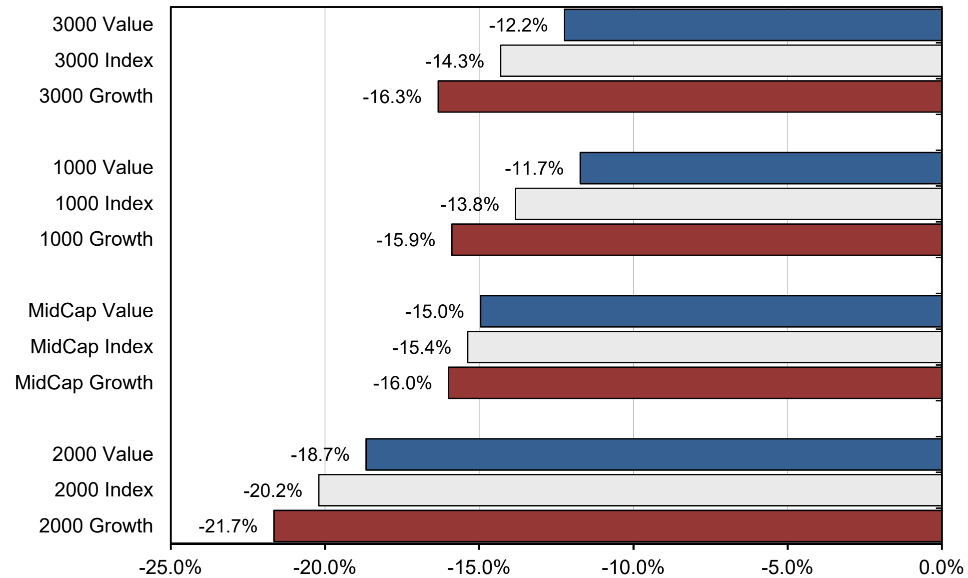
Source: Investment Metrics

- US equity index returns were strongly negative across the style and capitalization spectrum during the 4th quarter of 2018. Despite these negative results, there was positive data in GDP, unemployment, wage growth, retail sales, and corporate earnings during the period. These positive economic factors were offset by softening data in housing, consumer confidence and manufacturing, tightening monetary policy, negative guidance for future corporate earnings and signs of slowing global growth which all contributed to the heavy selling in equities. Investors also considered the effects of ongoing trade negotiations, especially between the US and China, and the results of the US congressional midterm elections which likely reduced the chances of any major policy changes or new fiscal stimulus measures. The effects of partisan politics was particularly evident at the end of the quarter as budget negotiations between Democrats and Republicans collapsed over disagreement around the inclusion of funds for a border wall with Mexico, leading to a partial government shutdown to end the year.

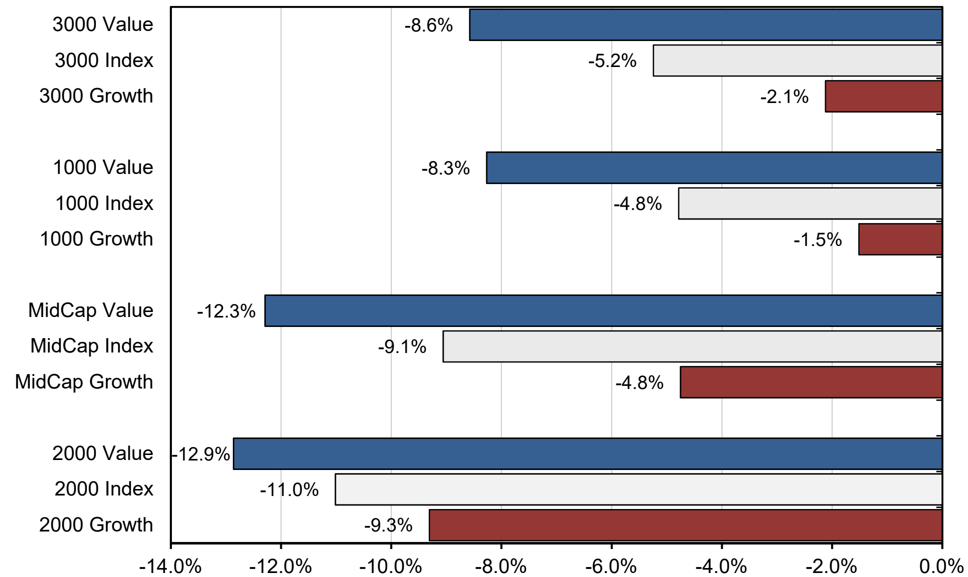
- During the quarter, large cap stocks outperformed mid and small cap equities across growth, value and core indices. The large cap Russell 1000 Index fell -13.8% during the 4th quarter versus a -20.2% drop for the Russell 2000 Index. Part of the reason for weakness in small cap names is the steady increase in interest rates that occurred over 2018 as small cap companies typically maintain a higher percentage of debt than their large cap peers. Small cap names are also typically more volatile than larger companies and they have historically underperformed during market downturns. Similar to the most recent quarter, large cap stocks outperformed relative to small caps through calendar year 2018. The Russell 1000 returned -4.8% for the 1-year periods compared to a -11.0% return for the Russell 2000.

- Value indices outperformed growth indices across the market cap spectrum during the 4th quarter, reversing a year-to-date trend of growth stock outperformance. The large cap Russell 1000 Value Index was the best performing style index for the period, returning -11.7% for the quarter, while the Russell 2000 Growth Index was the worst performer, returning -21.7%. Value benchmarks tend to outperform in down markets as they benefit from their relative safety and higher dividend yields. Despite the short-term underperformance, growth benchmarks continue to outperform over the 1-year period, however, many of the sector exposures that drove growth stock outperformance during the first three quarters of the year, such as technology and consumer discretionary, were relative detractors during the 4th quarter.

Quarter Performance - Russell Style Series



1-Year Performance - Russell Style Series



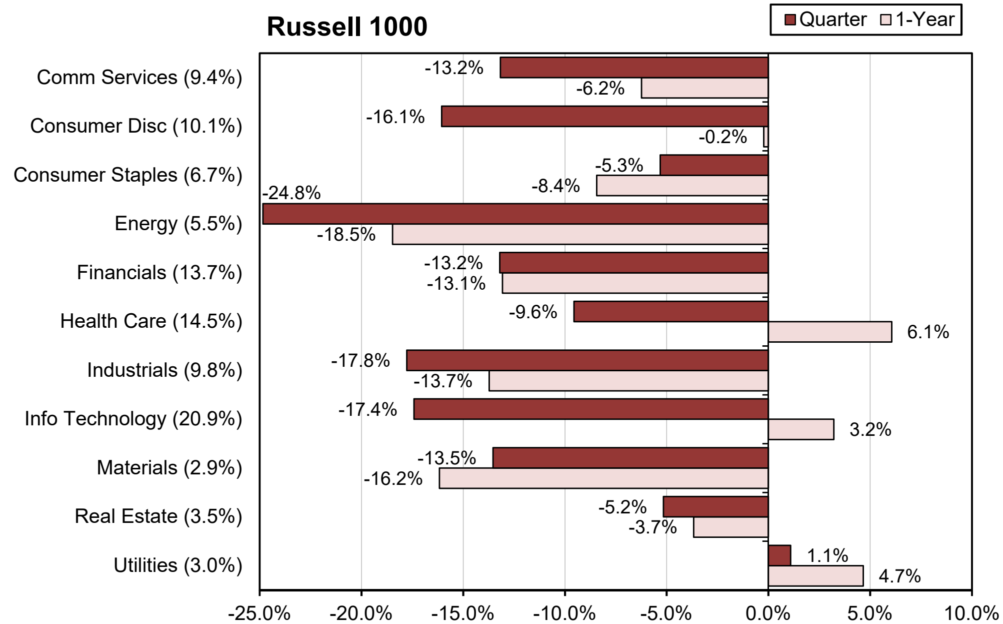
Source: Investment Metrics

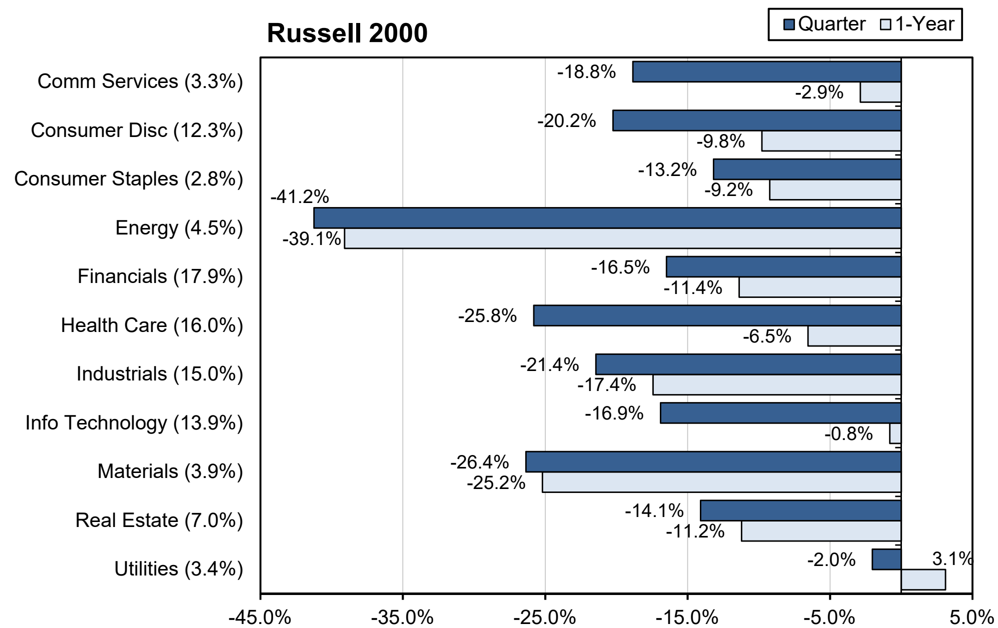
- Both S&P Dow Jones Indices and MSCI made changes to the Global Industry Classification Standard (GICS) sector configurations of their indices, creating a new GICS sector classification called Communication Services which replaced the Telecommunications sector on September 28, 2018. The Communication Services sector is comprised of companies in the Telecommunications sector, as well as certain companies formerly classified as Consumer Discretionary and Information Technology. As a result, the sector, went from a weighting of about 2% of the Russell 1000 Index to almost 10% post reclassification. Notable names now classified under Communication Services include Netflix, Alphabet, Facebook and Disney. This is just the second change to the GICS classifications since 1999.

- Sector performance was broadly negative across large cap sectors for the 4th quarter. All sectors within the Russell 1000 Index with the exception of the utilities sector posted negative returns for the period with seven sectors outpacing the return on the index. Cyclical sectors such as energy, industrials and technology were the worst performers through the quarter returning -24.8%, -17.8% and -17.4% respectively. Energy companies were hurt by a steep decline in oil prices during the quarter while technology and industrial companies fell on negative guidance for future earnings. More defensive, higher dividend paying sectors such as utilities, REITs and consumer staples were the strongest performing sectors with returns of 1.1%, -5.2% and -5.3% respectively. Only three sectors (health care, utilities, technology) posted positive results over the 1-year period with the remaining sectors losing ground during the calendar year.

- Quarterly results for small cap sectors were generally lower relative to their large capitalization counterparts. All eleven sectors had negative returns during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter. Energy, materials and healthcare posted the worst returns for the period returning -41.2%, -26.4% and -25.8% respectively. Similar to large caps, defensive sectors performed well with utilities, consumer staples and real estate detracting the least returning -2.0%, -13.2% and -14.1% respectively. Over the trailing 1-year period, only utilities posted a gain returning 3.1%. Energy stocks were the worst performers in 2018, falling a considerable -41.2%.

- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for three of the eleven GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the utilities, consumer discretionary and real estate sectors appear the most extended. In contrast the financials, technology and energy sectors were trading at a discount to their long-term average P/E ratios.





Source: Morningstar Direct
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Microsoft Corp	3.27%	-11.2%	20.3%	Information Technology
Apple Inc	3.24%	-29.9%	-5.4%	Information Technology
Amazon.com Inc	2.59%	-25.0%	28.4%	Consumer Discretionary
Berkshire Hathaway Inc B	1.68%	-4.6%	3.0%	Financials
Johnson & Johnson	1.47%	-6.0%	-5.1%	Health Care
JPMorgan Chase & Co	1.39%	-12.9%	-6.6%	Financials
Alphabet Inc Class C	1.34%	-13.2%	-1.0%	Communication Services
Alphabet Inc A	1.32%	-13.4%	-0.8%	Communication Services
Facebook Inc A	1.32%	-20.3%	-25.7%	Communication Services
Exxon Mobil Corp	1.23%	-19.0%	-15.1%	Energy

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Integrated Device Technology Inc	0.35%	3.0%	62.9%	Information Technology
Etsy Inc	0.32%	-7.4%	132.6%	Consumer Discretionary
Five Below Inc	0.31%	-21.3%	54.3%	Consumer Discretionary
Haemonetics Corp	0.29%	-12.7%	72.3%	Health Care
Ciena Corp	0.27%	8.5%	62.0%	Information Technology
Planet Fitness Inc A	0.26%	-0.8%	54.8%	Consumer Discretionary
Idacorp Inc	0.26%	-5.6%	4.6%	Utilities
HubSpot Inc	0.26%	-16.7%	42.2%	Information Technology
LivaNova PLC	0.25%	-26.2%	14.5%	Health Care
Cree Inc	0.24%	13.0%	15.2%	Information Technology

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Tesaro Inc	0.01%	90.3%	-10.4%	Health Care
Red Hat Inc	0.13%	28.9%	46.2%	Information Technology
Virtu Financial Inc A	0.00%	27.1%	45.9%	Financials
Tesla Inc	0.19%	25.7%	6.9%	Consumer Discretionary
SCANA Corp	0.03%	23.2%	23.1%	Utilities
Tribune Media Co A	0.02%	18.9%	9.7%	Communication Services
MarketAxess Holdings Inc	0.03%	18.6%	5.6%	Financials
ARRIS International PLC	0.02%	17.6%	19.0%	Information Technology
United States Cellular Corp	0.00%	16.1%	38.1%	Communication Services
Newmont Mining Corp	0.08%	15.2%	-6.2%	Materials

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Electro Scientific Industries Inc	0.05%	71.7%	39.8%	Information Technology
Fluent Inc	0.01%	67.4%	3.4%	Communication Services
Mitek Systems Inc	0.02%	53.3%	20.8%	Information Technology
Arsanis Inc	0.00%	43.2%	-81.8%	Health Care
Inovalon Holdings Inc	0.05%	41.1%	-5.5%	Health Care
K12 Inc	0.05%	40.1%	55.9%	Consumer Discretionary
Investment Technology Group Inc	0.05%	39.9%	59.0%	Financials
Eidos Therapeutics Inc	0.01%	37.9%	N/A	Health Care
Belmond Ltd Class A	0.13%	37.2%	104.3%	Consumer Discretionary
Pacific Biosciences of California Inc	0.06%	36.8%	180.3%	Health Care

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Weatherford International PLC	0.00%	-79.4%	-86.6%	Energy
Nabors Industries Ltd	0.00%	-66.8%	-69.3%	Energy
Extraction Oil & Gas Inc	0.00%	-62.0%	-70.0%	Energy
Adient PLC	0.01%	-61.4%	-80.4%	Consumer Discretionary
Whiting Petroleum Corp	0.01%	-57.2%	-14.3%	Energy
Kosmos Energy Ltd	0.00%	-56.5%	-40.6%	Energy
Chesapeake Energy Corp	0.01%	-53.2%	-47.0%	Energy
Conduent Inc	0.01%	-52.8%	-34.2%	Information Technology
NVIDIA Corp	0.33%	-52.4%	-30.8%	Information Technology
SM Energy Co	0.01%	-50.8%	-29.6%	Energy

Bottom 10 Performing Stocks (by Quarter)

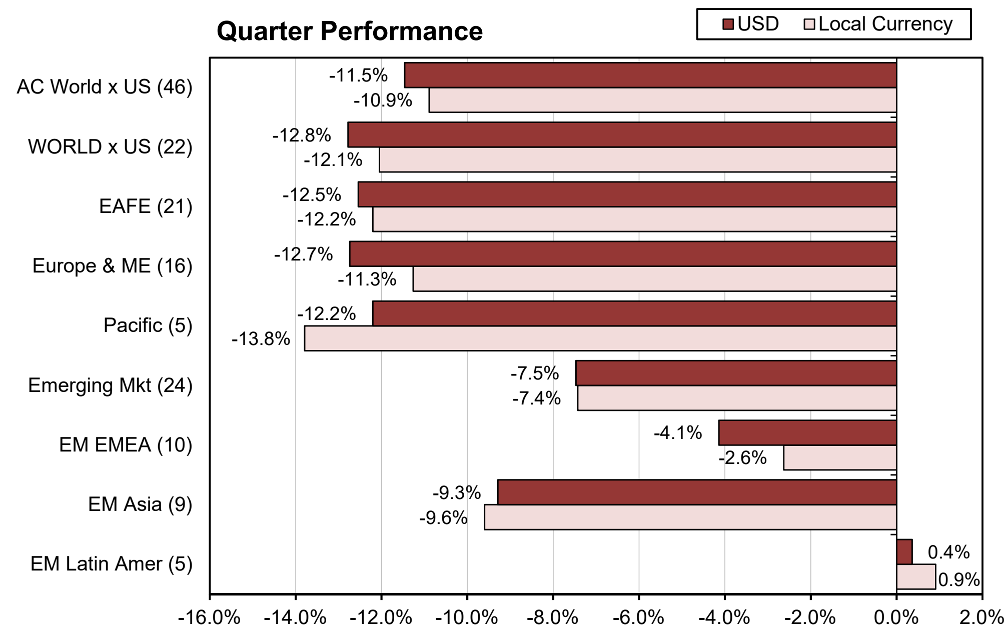
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Synergy Pharmaceuticals Inc	0.00%	-93.3%	-94.9%	Health Care
Sanchez Energy Corp	0.00%	-88.3%	-94.9%	Energy
Sienna Biopharmaceuticals Inc	0.00%	-84.3%	-87.2%	Health Care
Cloud Peak Energy Inc	0.00%	-84.1%	-91.8%	Energy
Selecta Biosciences Inc	0.00%	-82.9%	-72.9%	Health Care
Clearside Biomedical Inc	0.00%	-82.6%	-84.7%	Health Care
Key Energy Services Inc	0.00%	-81.9%	-82.4%	Energy
AAC Holdings Inc	0.00%	-81.7%	-84.4%	Health Care
PHI Inc Non-Voting Shares	0.00%	-80.2%	-84.0%	Energy
Bristow Group Inc	0.00%	-80.0%	-82.0%	Energy

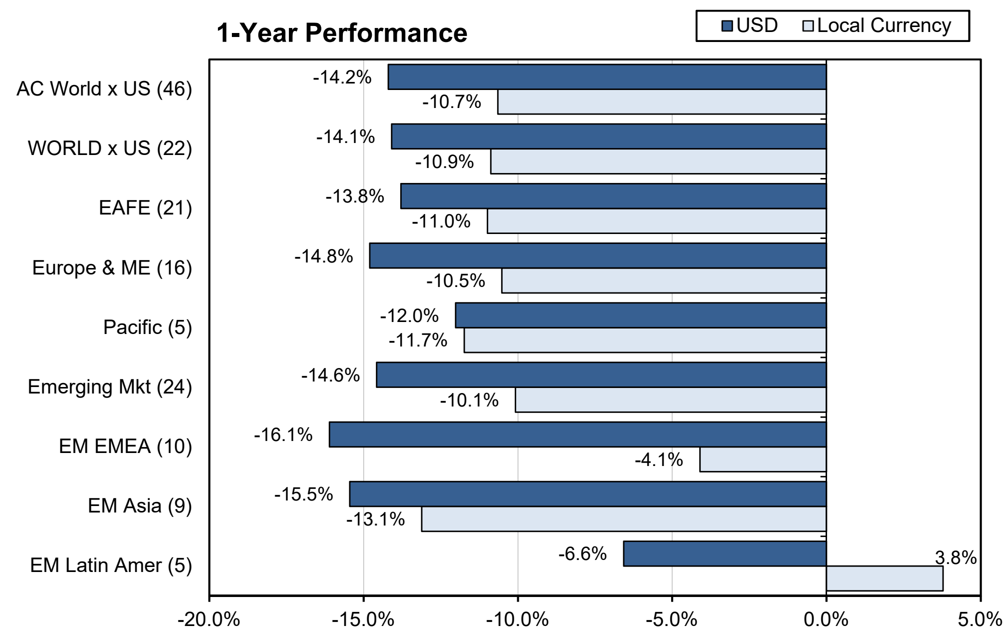
Source: Morningstar Direct

- Broad international equity returns were negative for the quarter in both local currency and USD terms. Geopolitical concerns, weakening economic data and the tightening of global monetary policy drove most of the negative performance. The USD also continued to strengthen against most currencies for the period which provided a headwind for USD based investors. The MSCI ACWI ex US Index fell -10.9% in local currency terms and -11.5% in USD terms during the 4th quarter. Returns for international indices were also broadly negative over the 1-year period in both local currency and USD terms with the MSCI ACWI ex US returning -10.7% and -14.2% respectively.

- Fourth quarter results for developed market international indices were negative in both local currency and USD terms with the MSCI EAFE Index returning -12.2% and -12.5% respectively. Returns were dampened for US investors as the USD continued to appreciate against most currencies, pushing returns lower. Global economic reporting during the quarter fueled concerns that global growth was beginning to slow. Japanese economic data faced headwinds from several natural disasters and data out of Europe was generally disappointing. Investors also weighed the effects of several significant political events in Europe including riots in France, ongoing budget negotiations between Italy and the EU and uncertainty around Brexit. Concerns over a "no deal" Brexit grew during the quarter as the draft withdrawal agreement presented by UK Prime Minister Theresa May was poorly received leading to a wave of cabinet resignations, a delay in the parliamentary vote and a "no confidence" vote which she ultimately won. The MSCI EAFE Index returned -11.0% and -13.8% for the last twelve months in local currency and USD terms respectively.

- Emerging markets outperformed relative to developed markets for the 4th quarter, but still declined in both local currency and USD terms with the MSCI Emerging Markets Index returning -7.4% and -7.5% respectively. Returns in emerging markets were hurt by the continued uncertainty surrounding trade relations between the US and China as both countries agreed to a 90-day hold on any new tariffs to allow for continued negotiations. Chinese economic data also appeared to be slowing during the quarter prompting the announcement of additional monetary and fiscal stimulus. The election of President Andres Manuel Lopez Obrador hurt returns in Mexico as investors feared the potential ramifications of his nationalist campaign promises. In contrast, Brazil was one of the few bright spots during the quarter as market participants looked favorably on the election of President Jair Bolsonaro in anticipation of market friendly economic reforms, including reforms associated with the countries bloated state pension system which has weighed heavily on the country's debt load. One year returns for the MSCI Emerging Market Index were -10.1% in local currency terms and -14.6% in USD terms.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.6%	-7.7%	-12.1%
Consumer Discretionary	11.2%	-14.2%	-16.1%
Consumer Staples	11.6%	-8.4%	-10.8%
Energy	5.9%	-17.5%	-7.2%
Financials	19.5%	-13.7%	-20.1%
Health Care	11.2%	-10.3%	-4.3%
Industrials	14.3%	-14.6%	-15.7%
Information Technology	6.0%	-16.7%	-15.6%
Materials	7.4%	-15.2%	-17.5%
Real Estate	3.7%	-5.4%	-9.9%
Utilities	3.8%	-0.1%	1.1%
Total	**100.0%**	**-12.5%**	**-13.8%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.6%	-5.5%	-11.9%
Consumer Discretionary	10.6%	-14.1%	-20.2%
Consumer Staples	9.9%	-7.4%	-11.2%
Energy	7.3%	-16.3%	-8.1%
Financials	22.2%	-10.7%	-16.8%
Health Care	8.4%	-11.2%	-6.2%
Industrials	11.7%	-13.7%	-15.1%
Information Technology	8.0%	-14.6%	-17.6%
Materials	7.7%	-13.4%	-15.9%
Real Estate	3.4%	-3.8%	-11.6%
Utilities	3.4%	0.5%	-0.9%
Total	**100.0%**	**-11.5%**	**-14.2%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	14.1%	-3.7%	-14.9%
Consumer Discretionary	10.4%	-13.5%	-32.5%
Consumer Staples	6.7%	-4.6%	-13.7%
Energy	8.0%	-10.6%	4.7%
Financials	24.8%	-0.9%	-8.7%
Health Care	2.8%	-16.2%	-20.9%
Industrials	5.5%	-3.8%	-12.6%
Information Technology	14.2%	-12.7%	-19.3%
Materials	7.7%	-10.8%	-11.6%
Real Estate	3.0%	1.4%	-17.2%
Utilities	2.7%	3.6%	-3.8%
Total	**100.0%**	**-7.5%**	**-14.6%**

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.6%	16.6%	-14.2%	-12.9%
United Kingdom	16.9%	11.4%	-11.8%	-14.2%
France	11.1%	7.5%	-15.1%	-12.8%
Germany	8.8%	6.0%	-15.5%	-22.2%
Switzerland	8.7%	5.8%	-8.9%	-9.1%
Australia	6.9%	4.7%	-10.0%	-12.0%
Hong Kong	3.9%	2.6%	-4.5%	-7.8%
Netherlands	3.4%	2.3%	-11.0%	-13.1%
Spain	3.1%	2.1%	-8.7%	-16.2%
Sweden	2.7%	1.8%	-14.2%	-13.7%
Italy	2.3%	1.5%	-11.8%	-17.8%
Denmark	1.8%	1.2%	-9.8%	-15.4%
Singapore	1.4%	0.9%	-6.7%	-9.4%
Finland	1.0%	0.7%	-14.7%	-3.4%
Belgium	1.0%	0.6%	-18.5%	-26.9%
Norway	0.7%	0.5%	-18.1%	-8.6%
Ireland	0.5%	0.4%	-17.7%	-25.3%
Israel	0.5%	0.4%	-14.4%	-5.5%
Austria	0.2%	0.2%	-20.7%	-27.4%
New Zealand	0.2%	0.2%	-6.6%	-4.0%
Portugal	0.2%	0.1%	-14.3%	-11.1%
Total EAFE Countries	**100.0%**	**67.5%**	**-12.5%**	**-13.8%**
Canada		6.5%	-15.3%	-17.2%
Total Developed Countries		**74.0%**	**-12.8%**	**-14.1%**
China		7.9%	-10.7%	-18.9%
Korea		3.6%	-13.1%	-20.9%
Taiwan		3.0%	-13.7%	-8.9%
India		2.4%	2.5%	-7.3%
Brazil		2.0%	13.4%	-0.5%
South Africa		1.6%	-3.8%	-24.8%
Russia		1.0%	-9.0%	-0.7%
Mexico		0.7%	-18.8%	-15.5%
Malaysia		0.6%	-5.8%	-6.0%
Thailand		0.6%	-10.2%	-5.5%
Indonesia		0.6%	9.7%	-9.2%
Poland		0.3%	-3.0%	-12.9%
Philippines		0.3%	5.3%	-16.5%
Qatar		0.3%	8.4%	29.8%
Chile		0.3%	-8.7%	-19.7%
United Arab Emirates		0.2%	-5.5%	-7.7%
Turkey		0.2%	4.8%	-41.4%
Colombia		0.1%	-19.0%	-11.5%
Peru		0.1%	-2.9%	1.6%
Hungary		0.1%	5.9%	-6.1%
Greece		0.1%	-16.0%	-36.8%
Czech Republic		0.0%	-8.7%	-4.5%
Egypt		0.0%	-9.4%	-14.0%
Pakistan		0.0%	-22.4%	-34.8%
Total Emerging Countries		**26.0%**	**-7.5%**	**-14.6%**
Total ACWIxUS Countries		**100.0%**	**-11.5%**	**-14.2%**

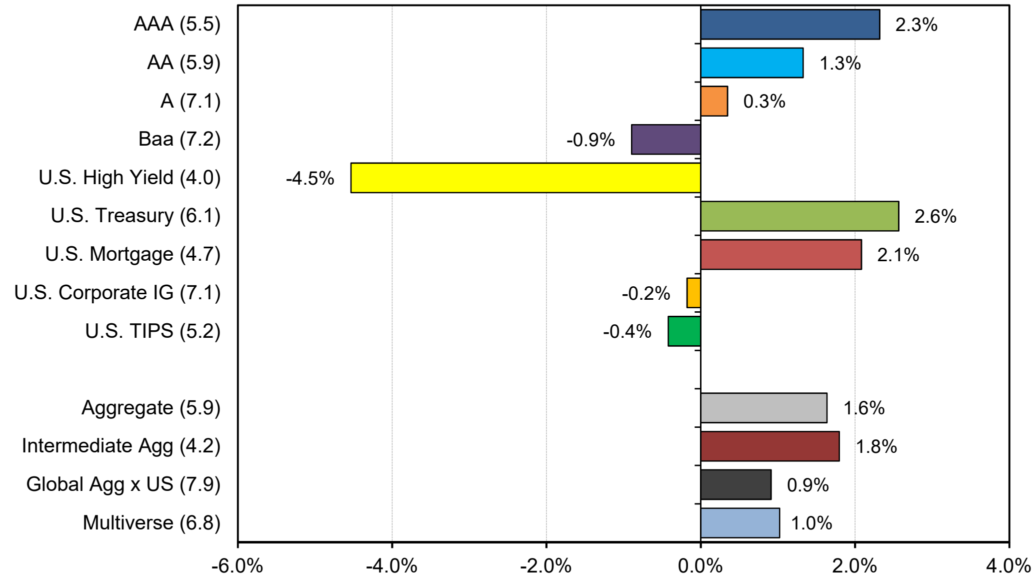
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

- Broad fixed income benchmarks had mixed results during the 4th quarter. Interest rates rose across short-term maturities, but fell on those on the middle and long end of the US Treasury Yield Curve. The Federal Open Market Committee (FOMC), decided to increase short-term interest rates by 25 basis points at their December meeting citing the strength of the US economy which caused an increase in short-term interest rates, but equity market volatility led market participants toward less volatile assets, pushing rates lower on maturities greater than 1-year. This was the fourth rate hike of 2018. The current Fed Funds Rate target range sits at 2.25%-2.50%. This caused continued flattening in the yield curve with some moderate inversion, which happens when short-term maturities have greater yields than long-term securities, in the middle of curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.21%. Historically, an inverted yield curve has signaled a greater probability of a recession. The Fed is also continuing the reduction of the size of its balance sheet by slowing its pace of reinvestment as the securities it holds mature. However, the Fed did lower its guidance for future rate increases in 2019 following a reduction in expectations for GDP and inflation. The Fed is now projecting just two additional interest rate increases in 2019. The Bloomberg Barclays US Aggregate Index was positive during the quarter, posting a 1.6% return, but was flat, returning 0.0% over the 1-year period.

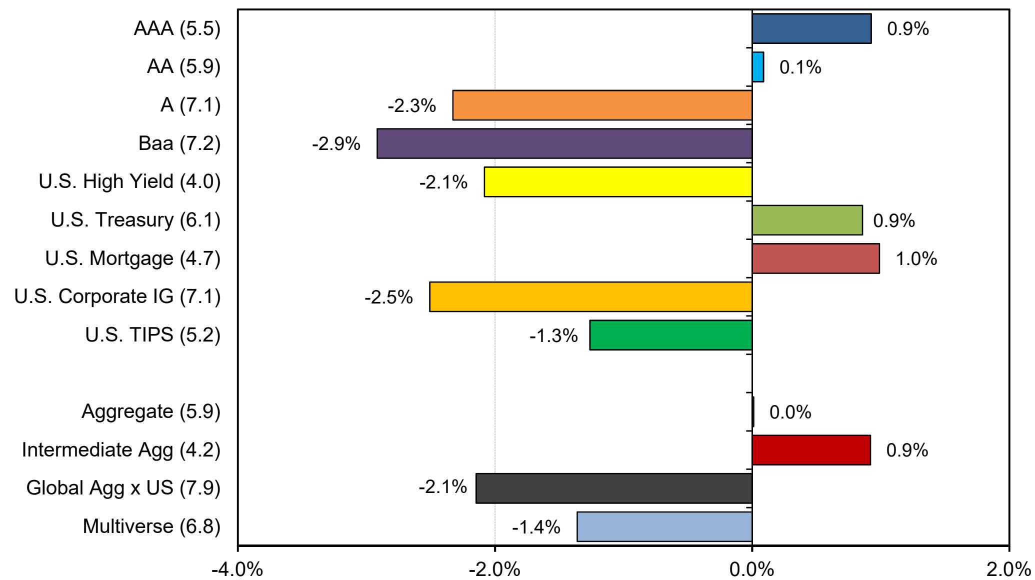
- Within investment grade credit, higher quality issues outperformed lower quality issues as investors preferred more conservative securities. On an absolute basis, without negating the duration differences in the sub-indices, AAA rated credit was the best performing investment grade credit quality segment returning 2.3% for the quarter, while Baa was the worst performing, falling -0.9%. High yield debt trailed investment grade credit as spreads widened the most for these issues, returning -4.5%. Returns are mixed for the investment grade quality segments when viewed over the 1-year period with higher quality issues outperforming lower quality securities. High yield performed well relative to lower quality investment grade debt due to the relatively strong returns experienced during the first three quarters of 2018.

- During the 4th quarter, the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors were the best performers returning 2.6% and 2.1% respectively. Investment grade corporate credit underperformed, returning -0.2%, as credit spreads widened considerably during the period. This trend carried through to the 1-year period as both Treasuries and mortgage backed securities outperformed both investment grade and high yield corporate debt. Calendar year 2018 performance for the Treasury, mortgage backed and investment grade corporate issues was 0.9%, 1.0% and -2.5% respectively. US TIPS returned -0.4% and -1.3% for the 4th quarter and 1-year period.

Quarter Performance



1-Year Performance



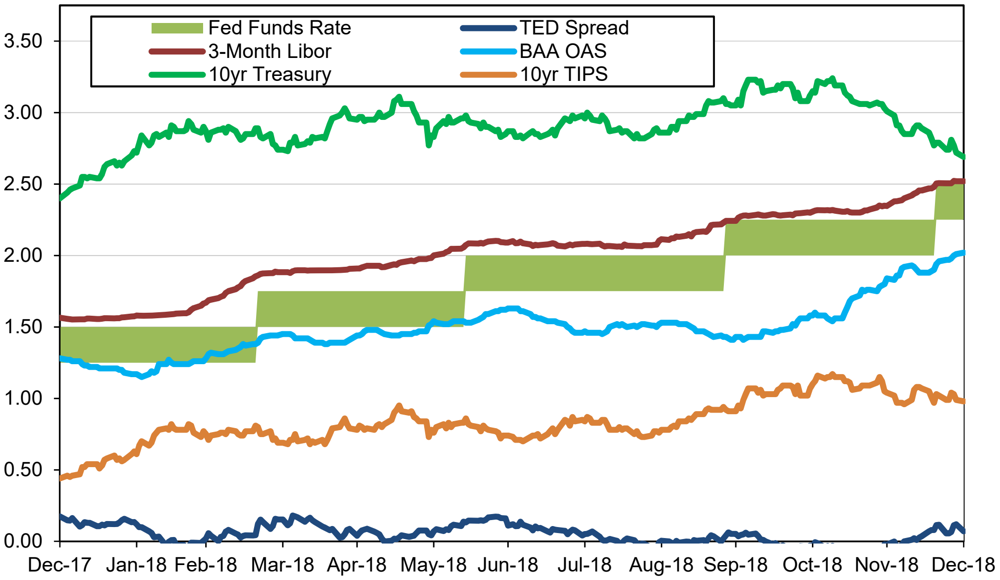
Source: Bloomberg

- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 4th quarter. These indices have lower yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. During the 4th quarter the USD strengthened against most other currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was 0.9% and -2.1% for the quarter and 1-year period respectively. As the global economy continues to recover, several international central banks have started to move toward less accommodative postures. Notably, the ECB, began to slow its monthly bond purchase program in September, reducing new purchases to 15 billion euro per month from 30 billion euro per month and ended the program entirely at year end. However, they have indicated a continuation of reinvestment in maturing securities and would likely not raise interest rates from current levels until summer 2019. The Bank of England and the Bank of Japan made no major policy changes during the quarter as they continue to review macroeconomic data within their respective countries.

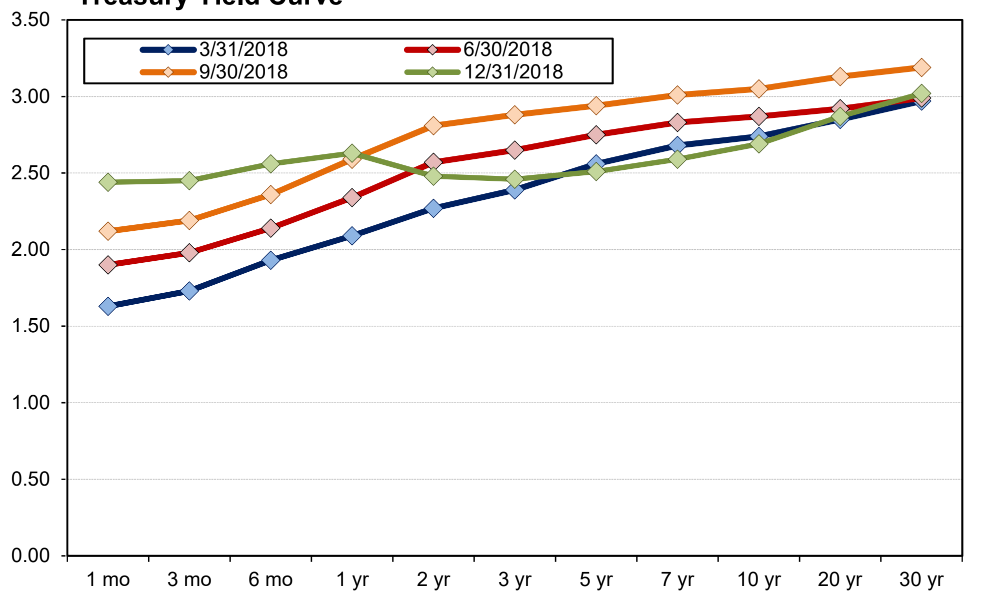
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell during the 4th quarter after rising steadily through most of the year as investors moved to safe haven assets during the period, ending the year at 2.69%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a relatively tight range in credit spreads throughout most of 2018, but highlights an abrupt increase during the 4th quarter as investors moved to higher quality assets. This increase is equivalent to an interest rate increase on corporate bonds, which produces an additional headwind for corporate bond index returns. These credit spreads have widened by about 59 basis points over the last 3-months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate (four increases in the last twelve months) due to the continued tightening of US monetary policy.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The upward momentum of interest rates as well as a general flattening of the yield curve are clearly visible over the last twelve months with some minor inversion visible in the middle of the yield curve.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

1 Quarter

	Market Value 10/01/2018	Net Flows	Return On Investment	Market Value 12/31/2018
Fire Total Fund	**29,463,610**	**-95,535**	**-2,479,676**	**26,888,398**
Total Domestic Equity	**14,672,700**	**-67,956**	**-2,182,383**	**12,422,360**
Seizert	5,037,823	107,044	-858,886	4,285,981
ClearBridge (LSITX)	5,405,971	-175,000	-709,675	4,521,295
T. Rowe Price (TRMCX)	4,228,906	-	-613,822	3,615,084
Total International Equity	**3,405,954**	**-**	**-428,934**	**2,977,020**
AF EuroPacific Growth (RERGX)	3,405,954	-	-428,934	2,977,020
Harbor (HAINX)	-	-	-	-
Total Domestic Fixed Income	**9,730,781**	**-7,424**	**113,886**	**9,837,242**
C.S. McKee	4,896,845	-3,674	73,245	4,966,416
Garcia Hamilton	-	3,572,049	1,041	3,573,090
Great Lakes	4,833,936	-3,575,799	39,600	1,297,736
Total Real Estate	**1,429,971**	**-**	**17,283**	**1,447,254**
Principal Real Estate	1,429,971	-	17,283	1,447,254
Total Cash				
Cash	224,204	-20,155	472	204,522

Fiscal Year To Date

	Market Value 01/01/2018	Net Flows	Return On Investment	Market Value 12/31/2018
Fire Total Fund	**28,454,246**	**-195,811**	**-1,370,038**	**26,888,398**
Total Domestic Equity	**13,436,149**	**-94,528**	**-919,260**	**12,422,360**
Seizert	4,703,519	87,789	-505,327	4,285,981
ClearBridge (LSITX)	4,688,630	-182,317	14,982	4,521,295
T. Rowe Price (TRMCX)	4,044,000	-	-428,915	3,615,084
Total International Equity	**3,587,282**	**-**	**-610,262**	**2,977,020**
AF EuroPacific Growth (RERGX)	-	3,570,812	-593,792	2,977,020
Harbor (HAINX)	3,587,282	-3,570,812	-16,470	-
Total Domestic Fixed Income	**9,814,687**	**-28,693**	**51,248**	**9,837,242**
C.S. McKee	4,932,412	-13,693	47,697	4,966,416
Garcia Hamilton	-	3,572,049	1,041	3,573,090
Great Lakes	4,882,276	-3,587,049	2,509	1,297,736
Total Real Estate	**1,340,782**	**-**	**106,472**	**1,447,254**
Principal Real Estate	1,340,782	-	106,472	1,447,254
Total Cash				
Cash	275,346	-72,589	1,765	204,522

1 Year	Market Value 01/01/2018	Net Flows	Return On Investment	Market Value 12/31/2018
Fire Total Fund	**28,454,246**	**-195,811**	**-1,370,038**	**26,888,398**
Total Domestic Equity	**13,436,149**	**-94,528**	**-919,260**	**12,422,360**
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ClearBridge (LSITX)	4,688,630	-182,317	14,982	4,521,295
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Harbor (HAINX)	3,587,282	-3,570,812	-16,470	-
Total Domestic Fixed Income	**9,814,687**	**-28,693**	**51,248**	**9,837,242**
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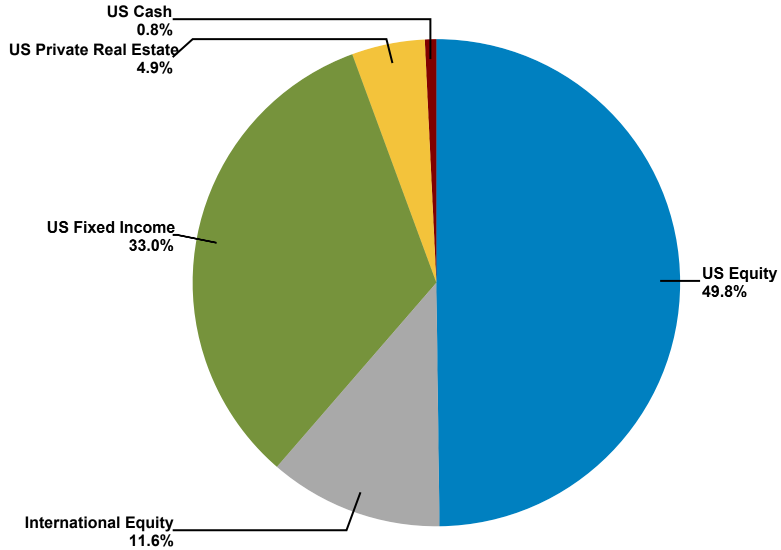
Total Real Estate	**1,340,782**	**-**	**106,472**	**1,447,254**
Principal Real Estate	1,340,782	-	106,472	1,447,254
Total Cash				
Cash	275,346	-72,589	1,765	204,522

Asset Allocation Attributes

	Domestic Equity		International Equity		Domestic Fixed Income		Real Estate		Cash Equivalent		Total Fund	
	($)	%	($)	%	($)	%	($)	%	($)	%	($)	%
Fire Total Fund	**12,237,833**	**45.5**	**2,977,020**	**11.1**	**6,441,705**	**24.0**	**1,447,254**	**5.4**	**3,784,585**	**14.1**	**26,888,398**	**100.0**
Total Domestic Equity	**12,237,833**	**98.5**	**-**	**-**	**-**	**-**	**-**	**-**	**184,527**	**1.5**	**12,422,360**	**46.2**
Seizert	4,101,454	95.7	-	-	-	-	-	-	184,527	4.3	4,285,981	15.9
ClearBridge (LSITX)	4,521,295	100.0	-	-	-	-	-	-	-	-	4,521,295	16.8
T. Rowe Price (TRMCX)	3,615,084	100.0	-	-	-	-	-	-	-	-	3,615,084	13.4
Total International Equity	**-**	**-**	**2,977,020**	**100.0**	**-**	**-**	**-**	**-**	**-**	**-**	**2,977,020**	**11.1**
AF EuroPacific Growth (RERGX)	-	-	2,977,020	100.0	-	-	-	-	-	-	2,977,020	11.1
Total Domestic Fixed Income	**-**	**-**	**-**	**-**	**6,441,705**	**65.5**	**-**	**-**	**3,395,537**	**34.5**	**9,837,242**	**36.6**
C.S. McKee	-	-	-	-	4,923,117	99.1	-	-	43,299	0.9	4,966,416	18.5
Garcia Hamilton	-	-	-	-	338,736	9.5	-	-	3,234,354	90.5	3,573,090	13.3
Great Lakes	-	-	-	-	1,179,853	90.9	-	-	117,884	9.1	1,297,736	4.8
Total Real Estate	**-**	**-**	**-**	**-**	**-**	**-**	**1,447,254**	**100.0**	**-**	**-**	**1,447,254**	**5.4**
Principal Real Estate	-	-	-	-	-	-	1,447,254	100.0	-	-	1,447,254	5.4
Total Cash												
Cash	-	-	-	-	-	-	-	-	204,522	100.0	204,522	0.8

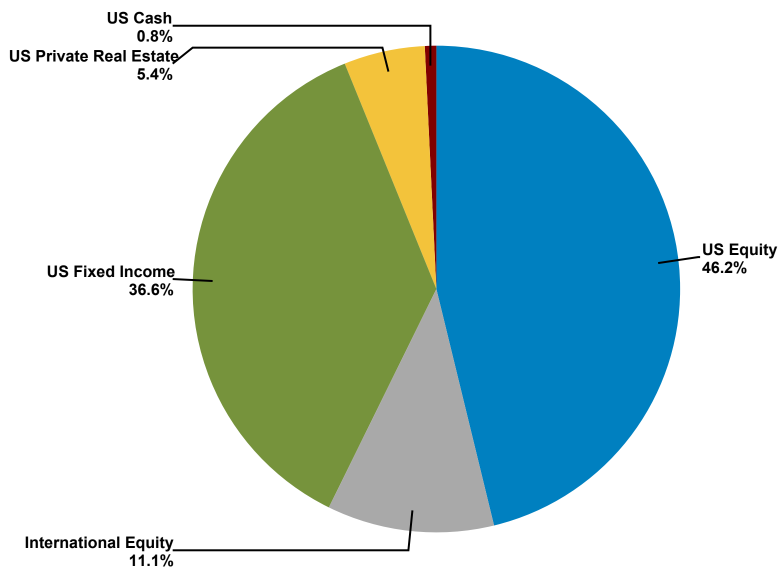
September 30, 2018 : $29,463,610



Allocation

	Market Value	Allocation
US Equity	14,672,700	49.8
International Equity	3,405,954	11.6
US Fixed Income	9,730,781	33.0
US Private Real Estate	1,429,971	4.9
US Cash	224,204	0.8

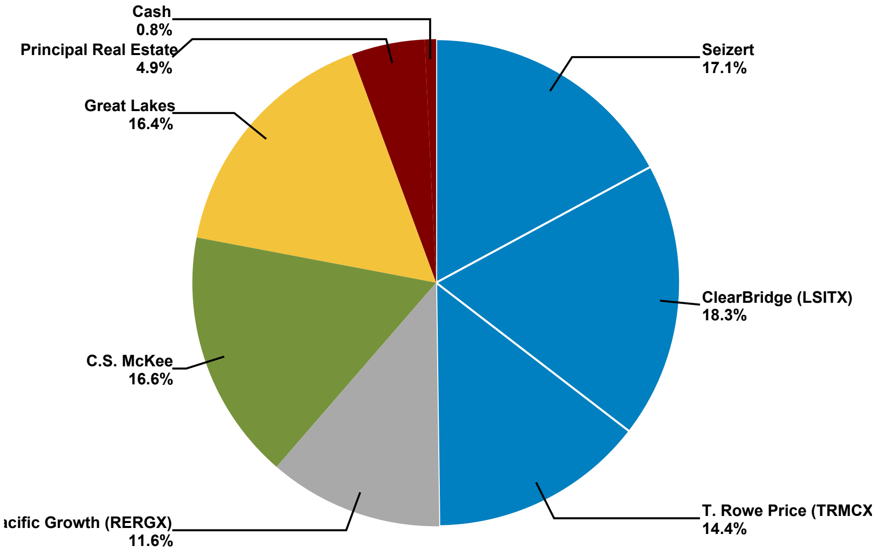
December 31, 2018 : $26,888,398



Allocation

	Market Value	Allocation
US Equity	12,422,360	46.2
International Equity	2,977,020	11.1
US Fixed Income	9,837,242	36.6
US Private Real Estate	1,447,254	5.4
US Cash	204,522	0.8

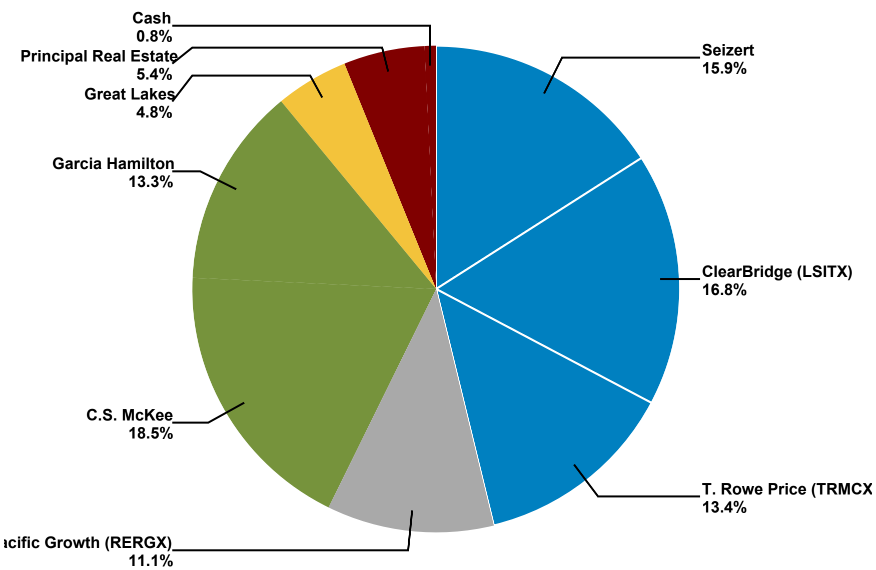
September 30, 2018 : $29,463,610



Allocation

	Market Value	Allocation
Seizert	5,037,823	17.1
ClearBridge (LSITX)	5,405,971	18.3
T. Rowe Price (TRMCX)	4,228,906	14.4
AF EuroPacific Growth (RERGX)	3,405,954	11.6
C.S. McKee	4,896,845	16.6
Garcia Hamilton	-	0.0
Great Lakes	4,833,936	16.4
Principal Real Estate	1,429,971	4.9
Cash	224,204	0.8

December 31, 2018 : $26,888,398



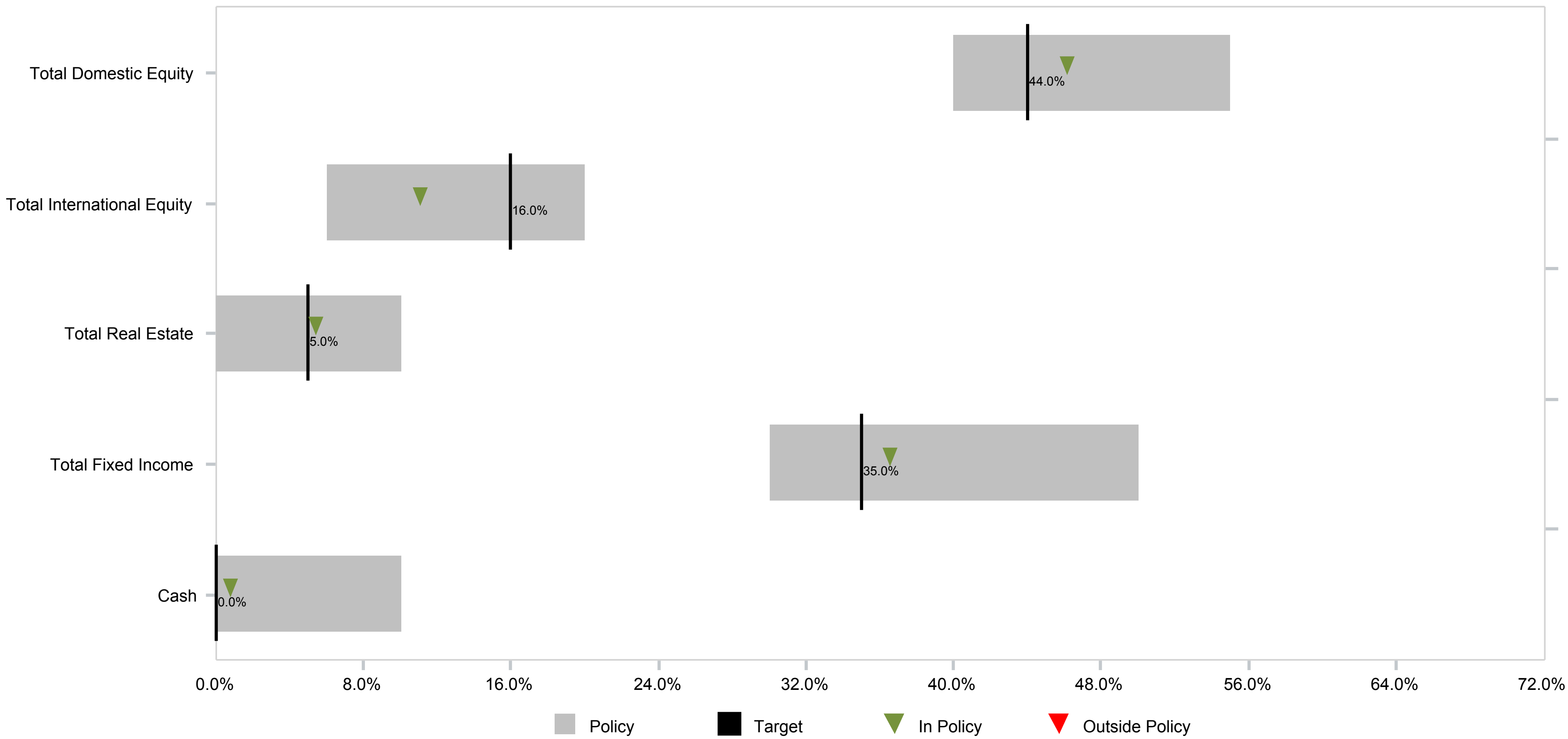
Allocation

	Market Value	Allocation
Seizert	4,285,981	15.9
ClearBridge (LSITX)	4,521,295	16.8
T. Rowe Price (TRMCX)	3,615,084	13.4
AF EuroPacific Growth (RERGX)	2,977,020	11.1
C.S. McKee	4,966,416	18.5
Garcia Hamilton	3,573,090	13.3
Great Lakes	1,297,736	4.8
Principal Real Estate	1,447,254	5.4
Cash	204,522	0.8

Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal. ($)	Differences (%)
Fire Total Fund	26,888,398	100.0		100.0		-	0.0
Total Domestic Equity	12,422,360	46.2	40.0	44.0	55.0	-591,465	2.2
Total International Equity	2,977,020	11.1	6.0	16.0	20.0	1,325,124	-4.9
Total Real Estate	1,447,254	5.4	0.0	5.0	10.0	-102,834	0.4
Total Fixed Income	9,837,242	36.6	30.0	35.0	50.0	-426,303	1.6
Cash	204,522	0.8	0.0	0.0	10.0	-204,522	0.8

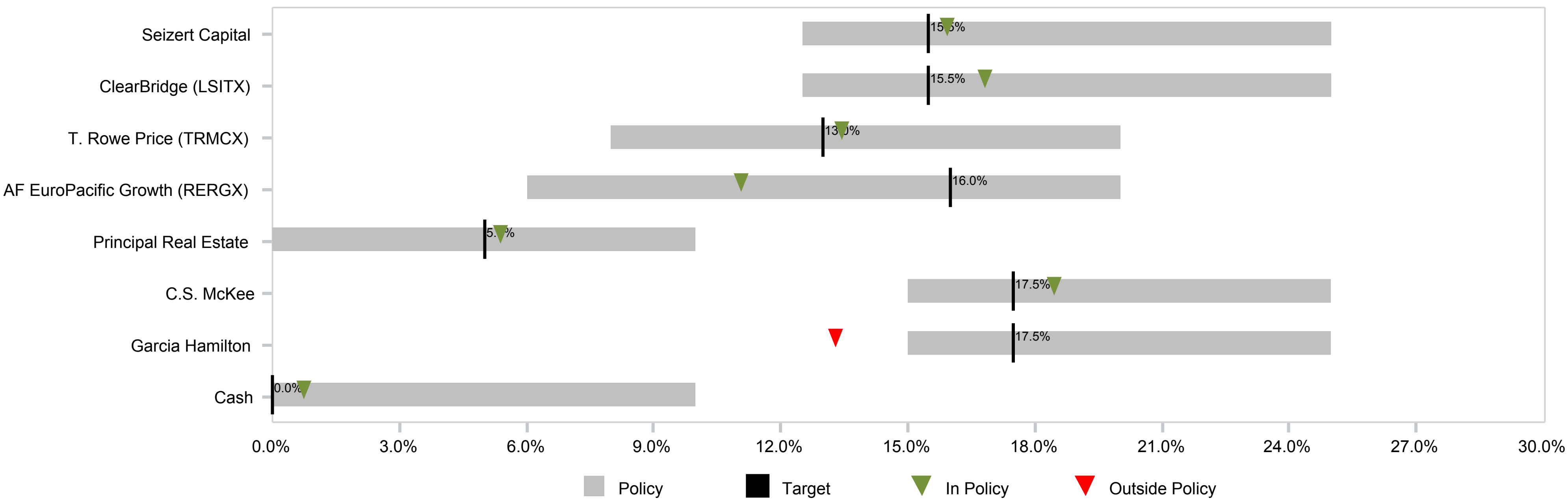
Allocation Summary



Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal. ($)	Differences (%)
Fire Total Fund	26,888,398	100.0		100.0		-	0.0
Total Equity	15,399,380	57.3		60.0		733,659	-2.7
Total Domestic Equity	12,422,360	46.2		44.0		-591,465	2.2
Seizert Capital	4,285,981	15.9	12.5	15.5	25.0	-118,279	0.4
ClearBridge (LSITX)	4,521,295	16.8	12.5	15.5	25.0	-353,594	1.3
T. Rowe Price (TRMCX)	3,615,084	13.4	8.0	13.0	20.0	-119,593	0.4
Total International Equity	2,977,020	11.1		16.0		1,325,124	-4.9
AF EuroPacific Growth (RERGX)	2,977,020	11.1	6.0	16.0	20.0	1,325,124	-4.9
Total Real Estate	1,447,254	5.4		5.0		-102,834	0.4
Principal Real Estate	1,447,254	5.4	0.0	5.0	10.0	-102,834	0.4
Total Fixed Income	9,837,242	36.6		35.0		-426,303	1.6
Total Domestic Fixed Income	9,837,242	36.6		35.0		-426,303	1.6
C.S. McKee	4,966,416	18.5	15.0	17.5	25.0	-260,946	1.0
Garcia Hamilton	3,573,090	13.3	15.0	17.5	25.0	1,132,380	-4.2
Great Lakes Advisors	1,297,736	4.8				-	
Cash	204,522	0.8	0.0	0.0	10.0	-204,522	0.8

Allocation Summary



Comparative Performance

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Fire Total Fund	**-8.41**	**(59)**	**-4.85**	**(66)**	**-4.85**	**(66)**	**5.17**	**(59)**	**4.55**	**(42)**	**7.05**	**(52)**	**7.55**	**(70)**
Fire - Total Fund Policy	-7.36	(41)	-4.53	(58)	-4.53	(58)	5.53	(43)	4.80	(33)	7.18	(47)	7.48	(71)
All Master Trust - Total Fund Median	-7.98		-4.02		-4.02		5.38		4.36		7.08		8.22	
Fire Total Fund	**-8.41**	**(47)**	**-4.85**	**(61)**	**-4.85**	**(61)**	**5.17**	**(74)**	**4.55**	**(53)**	**7.05**	**(63)**	**7.55**	**(86)**
Fire - Total Fund Policy	-7.36	(17)	-4.53	(49)	-4.53	(49)	5.53	(53)	4.80	(41)	7.18	(56)	7.48	(87)
Master Trust >=45% and <65% Equity Median	-8.47		-4.54		-4.54		5.57		4.62		7.34		8.37	
Total Domestic Equity	**-14.91**	**(46)**	**-6.90**	**(47)**	**-6.90**	**(47)**	**8.40**	**(34)**	**7.37**	**(29)**	**12.23**	**(28)**	**13.65**	**(28)**
Russell 3000 Index	-14.30	(40)	-5.24	(36)	-5.24	(36)	8.97	(26)	7.91	(22)	12.46	(25)	13.18	(36)
IM U.S. Equity (SA+CF+MF) Median	-15.47		-7.43		-7.43		7.11		5.70		10.85		12.39	
Seizert	-16.83	(90)	-10.57	(69)	-10.57	(69)	7.89	(37)	6.71	(36)	12.22	(26)	12.66	(32)
Russell 1000 Value Index	-11.72	(29)	-8.27	(49)	-8.27	(49)	6.95	(55)	5.95	(61)	11.02	(61)	11.18	(75)
IM U.S. Large Cap Value Equity (SA+CF) Median	-13.56		-8.40		-8.40		7.23		6.24		11.41		11.93	
ClearBridge (LSITX)	-13.35	(14)	0.05	(40)	0.05	(40)	N/A		N/A		N/A		N/A	
Russell 1000 Growth Index	-15.89	(53)	-1.51	(59)	-1.51	(59)	11.15	(17)	10.40	(15)	14.14	(23)	15.29	(19)
IM U.S. Large Cap Growth Equity (MF) Median	-15.78		-0.85		-0.85		9.62		9.11		13.24		14.08	
T. Rowe Price (TRMCX)	-14.51	(17)	-10.61	(10)	-10.61	(10)	7.47	(9)	5.80	(3)	11.34	(2)	13.45	(14)
Russell Midcap Value Index	-14.95	(28)	-12.29	(28)	-12.29	(28)	6.06	(20)	5.44	(7)	10.89	(9)	13.03	(21)
IM U.S. Mid Cap Value Equity (MF) Median	-16.88		-13.80		-13.80		4.16		3.49		9.50		12.28	
Total International Equity	**-12.59**	**(36)**	**-17.04**	**(72)**	**-17.04**	**(72)**	**0.72**	**(75)**	**-1.74**	**(87)**	**3.98**	**(78)**	**6.11**	**(48)**
MSCI AC World ex USA Index (Net)	-11.46	(19)	-14.20	(38)	-14.20	(38)	4.48	(16)	0.68	(26)	4.85	(57)	6.57	(38)
IM International Large Cap Equity (MF) Median	-13.39		-15.29		-15.29		2.14		-0.25		5.04		5.98	
AF EuroPacific Growth (RERGX)	-12.59	(43)	N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA Index (Net)	-11.46	(28)	-14.20	(43)	-14.20	(43)	4.48	(23)	0.68	(41)	4.85	(66)	6.57	(49)
IM International Large Cap Growth Equity (MF) Median	-12.68		-15.06		-15.06		2.84		0.10		5.36		6.54	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Total Domestic Fixed Income	**1.17**	**(34)**	**0.53**	**(50)**	**0.53**	**(50)**	**1.70**	**(83)**	**2.14**	**(73)**	**2.00**	**(76)**	**2.92**	**(80)**
Total Domestic Fixed Policy	1.80	(10)	0.92	(41)	0.92	(41)	1.72	(82)	2.09	(74)	1.85	(80)	2.59	(85)
IM U.S. Fixed Income (SA+CF) Median	0.69		0.49		0.49		2.62		2.84		2.94		4.53	
C.S. McKee	1.50	(38)	0.97	(50)	0.97	(50)	1.90	(63)	2.29	(38)	2.02	(66)	N/A	
Bloomberg Barclays US Interm Agg Index	1.80	(11)	0.92	(53)	0.92	(53)	1.72	(81)	2.09	(63)	1.85	(81)	3.13	(78)
IM U.S. Intermediate Duration (SA+CF) Median	1.39		0.97		0.97		1.99		2.17		2.17		3.52	
Garcia Hamilton	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Bloomberg Barclays Intermed Aggregate Index	1.80	(11)	0.92	(53)	0.92	(53)	1.72	(81)	2.09	(63)	1.85	(81)	3.13	(78)
IM U.S. Intermediate Duration (SA+CF) Median	1.39		0.97		0.97		1.99		2.17		2.17		3.52	
Great Lakes	0.88	(85)	0.11	(95)	0.11	(95)	1.52	(97)	2.00	(77)	2.00	(67)	N/A	
Bloomberg Barclays US Interm Agg Index	1.80	(11)	0.92	(53)	0.92	(53)	1.72	(81)	2.09	(63)	1.85	(81)	3.13	(78)
IM U.S. Intermediate Duration (SA+CF) Median	1.39		0.97		0.97		1.99		2.17		2.17		3.52	
Real Estate														
Principal Real Estate	1.21	(93)	7.94	(84)	7.94	(84)	N/A		N/A		N/A		N/A	
NCREIF Fund Index-ODCE (EW) (Net)	1.40	(89)	7.32	(92)	7.32	(92)	7.53	(90)	9.60	(89)	10.04	(90)	5.92	(100)
IM U.S. Open End Private Real Estate (SA+CF) Median	1.80		8.71		8.71		8.79		11.10		11.85		7.38	
Cash	0.16		0.45		0.45		0.26		0.17		0.15		0.14	
90 Day U.S. Treasury Bill	0.56		1.87		1.87		0.99		0.61		0.45		0.35	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Comparative Performance

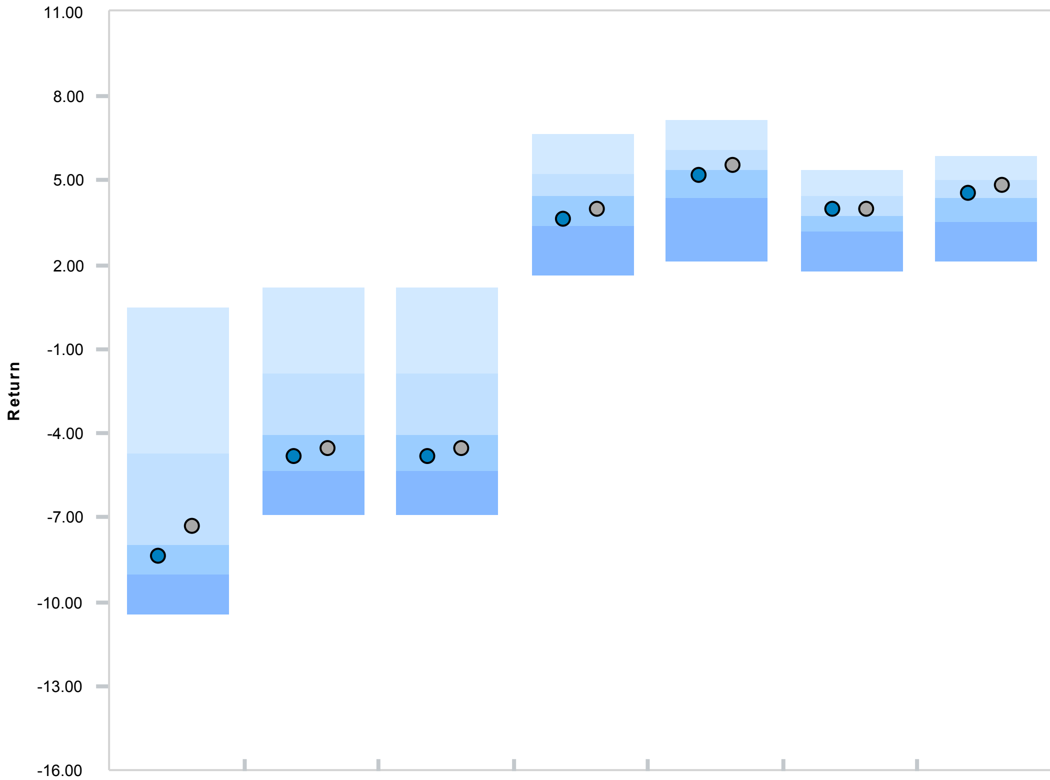
	Dec-2018	Dec-2017	Dec-2016	Dec-2015	Dec-2014	Dec-2013	Dec-2012	Dec-2011	Dec-2010	Dec-2009	Dec-2008
Fire Total Fund	**-4.85 (66)**	**12.78 (75)**	**8.39 (25)**	**0.34 (32)**	**7.03 (37)**	**16.82 (37)**	**10.42 (77)**	**2.73 (25)**	**9.54 (85)**	**14.13 (80)**	**-9.20 (10)**
Fire - Total Fund Policy	-4.53 (59)	13.24 (72)	8.69 (20)	-0.47 (50)	8.08 (23)	16.78 (37)	10.04 (80)	2.65 (26)	10.74 (75)	11.36 (89)	-13.04 (13)
All Master Trust - Total Fund Median	-4.01	14.96	7.19	-0.48	6.27	15.29	12.21	0.61	12.46	19.63	-23.97
Fire Total Fund	**-4.85 (61)**	**12.78 (91)**	**8.39 (26)**	**0.34 (31)**	**7.03 (33)**	**16.82 (38)**	**10.42 (93)**	**2.73 (13)**	**9.54 (98)**	**14.13 (93)**	**-9.20 (1)**
Fire - Total Fund Policy	-4.53 (49)	13.24 (87)	8.69 (21)	-0.47 (53)	8.08 (17)	16.78 (38)	10.04 (95)	2.65 (14)	10.74 (91)	11.36 (98)	-13.04 (1)
Master Trust >=45% and <65% Equity Median	-4.55	15.35	7.41	-0.38	6.19	15.78	12.78	-0.10	12.76	20.09	-25.31
Total Domestic Equity	**-6.90 (47)**	**19.21 (46)**	**14.78 (36)**	**1.07 (32)**	**10.85 (38)**	**34.22 (48)**	**17.10 (30)**	**0.42 (35)**	**16.10 (59)**	**37.41 (29)**	**-33.15 (21)**
Russell 3000 Index	-5.24 (36)	21.13 (37)	12.74 (45)	0.48 (36)	12.56 (25)	33.55 (53)	16.42 (37)	1.03 (31)	16.93 (55)	28.34 (59)	-37.31 (46)
IM U.S. Equity (SA+CF+MF) Median	-7.43	18.18	11.71	-1.45	9.18	33.88	15.25	-1.67	17.89	30.46	-37.92
Seizert	-10.57 (69)	17.79 (44)	19.21 (16)	-3.16 (62)	13.78 (31)	35.28 (42)	19.76 (14)	-1.28 (66)	15.44 (42)	28.92 (33)	N/A
Russell 1000 Value Index	-8.27 (49)	13.66 (88)	17.34 (25)	-3.83 (69)	13.45 (35)	32.53 (62)	17.51 (29)	0.39 (52)	15.51 (41)	19.69 (80)	-36.85 (64)
IM U.S. Large Cap Value Equity (SA+CF) Median	-8.40	17.21	14.42	-2.25	12.22	34.27	15.64	0.60	14.63	25.26	-35.35
ClearBridge (LSITX)	0.05 (40)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	-1.51 (59)	30.21 (41)	7.08 (8)	5.67 (54)	13.05 (22)	33.48 (55)	15.26 (46)	2.64 (10)	16.71 (34)	37.21 (42)	-38.44 (39)
IM U.S. Large Cap Growth Equity (MF) Median	-0.85	29.46	2.11	6.00	10.46	33.94	14.76	-1.77	15.19	35.22	-39.77
T. Rowe Price (TRMCX)	-10.61 (10)	11.67 (61)	24.33 (10)	-3.41 (28)	10.60 (47)	32.61 (80)	20.61 (5)	-4.05 (58)	17.41 (91)	47.84 (9)	-34.08 (13)
Russell Midcap Value Index	-12.29 (28)	13.34 (47)	20.00 (34)	-4.78 (52)	14.75 (11)	33.46 (74)	18.51 (23)	-1.38 (34)	24.75 (30)	34.21 (61)	-38.44 (51)
IM U.S. Mid Cap Value Equity (MF) Median	-13.80	12.67	17.39	-4.58	10.30	35.97	16.57	-3.16	21.69	36.99	-38.36
Total International Equity	**-17.04 (72)**	**22.86 (80)**	**0.25 (53)**	**-3.80 (83)**	**-6.82 (76)**	**17.74 (67)**	**21.84 (12)**	**-8.94 (16)**	**11.54 (30)**	**35.59 (25)**	**-44.42 (64)**
MSCI AC World ex USA Index (Net)	-14.20 (38)	27.19 (44)	4.50 (12)	-5.66 (89)	-3.87 (29)	15.29 (77)	16.83 (67)	-13.71 (59)	11.15 (32)	41.45 (9)	-45.53 (71)
IM International Large Cap Equity (MF) Median	-15.29	26.20	0.39	-1.14	-5.45	20.04	18.83	-13.26	8.26	30.42	-42.77
AF EuroPacific Growth (RERGX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA Index (Net)	-14.20 (43)	27.19 (62)	4.50 (12)	-5.66 (93)	-3.87 (35)	15.29 (73)	16.83 (72)	-13.71 (62)	11.15 (50)	41.45 (7)	-45.53 (77)
IM International Large Cap Growth Equity (MF) Median	-15.06	29.36	-0.12	-0.36	-4.76	18.71	19.13	-13.06	11.09	32.43	-42.27

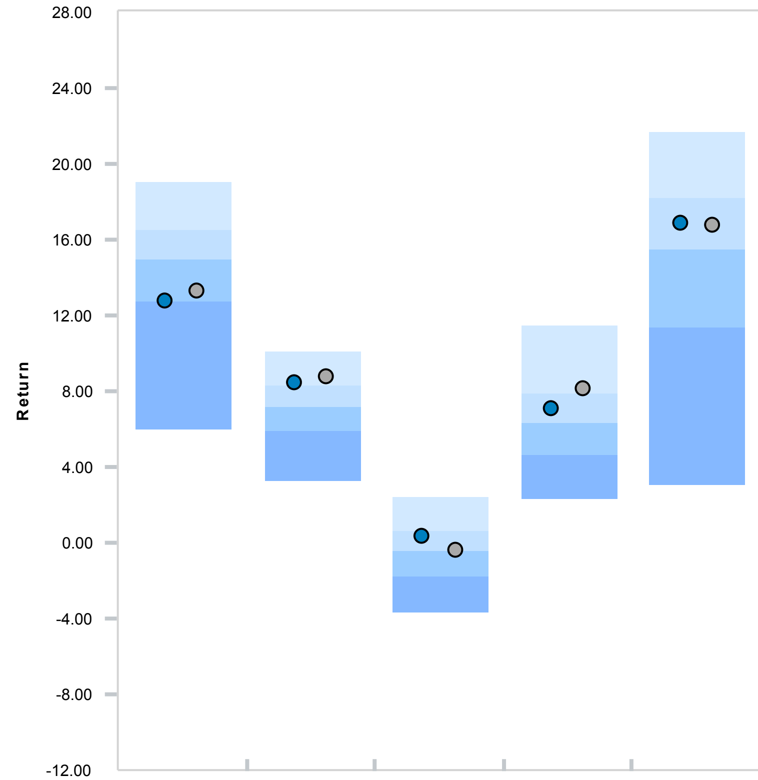
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

	Dec-2018	Dec-2017	Dec-2016	Dec-2015	Dec-2014	Dec-2013	Dec-2012	Dec-2011	Dec-2010	Dec-2009	Dec-2008
Total Domestic Fixed Income	**0.53 (50)**	**2.30 (80)**	**2.30 (71)**	**1.70 (17)**	**3.90 (56)**	**-0.91 (64)**	**4.31 (74)**	**6.56 (48)**	**5.45 (76)**	**3.27 (90)**	**9.67 (5)**
Total Domestic Fixed Policy	0.92 (41)	2.27 (81)	1.97 (76)	1.21 (31)	4.12 (53)	-1.02 (67)	3.56 (81)	5.81 (59)	5.45 (76)	1.78 (94)	10.36 (4)
IM U.S. Fixed Income (SA+CF) Median	0.49	4.16	3.69	0.73	4.43	-0.19	6.87	6.40	7.61	10.67	1.30
C.S. McKee	0.97 (50)	2.30 (71)	2.43 (48)	1.98 (7)	3.79 (43)	-0.93 (74)	3.64 (86)	N/A	N/A	N/A	N/A
Bloomberg Barclays US Interm Agg Index	0.92 (53)	2.27 (76)	1.97 (78)	1.21 (63)	4.12 (30)	-1.02 (80)	3.56 (87)	5.97 (45)	6.15 (64)	6.46 (66)	4.86 (49)
IM U.S. Intermediate Duration (SA+CF) Median	0.97	2.54	2.39	1.30	3.56	-0.53	4.98	5.88	6.41	7.87	4.68
Garcia Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays Intermed Aggregate Index	0.92 (53)	2.27 (76)	1.97 (78)	1.21 (63)	4.12 (30)	-1.02 (80)	3.56 (87)	5.97 (45)	6.15 (64)	6.46 (66)	4.86 (49)
IM U.S. Intermediate Duration (SA+CF) Median	0.97	2.54	2.39	1.30	3.56	-0.53	4.98	5.88	6.41	7.87	4.68
Great Lakes	0.11 (95)	2.30 (71)	2.16 (67)	1.43 (40)	4.02 (34)	-0.92 (74)	5.03 (47)	N/A	N/A	N/A	N/A
Bloomberg Barclays US Interm Agg Index	0.92 (53)	2.27 (76)	1.97 (78)	1.21 (63)	4.12 (30)	-1.02 (80)	3.56 (87)	5.97 (45)	6.15 (64)	6.46 (66)	4.86 (49)
IM U.S. Intermediate Duration (SA+CF) Median	0.97	2.54	2.39	1.30	3.56	-0.53	4.98	5.88	6.41	7.87	4.68
Real Estate											
Principal Real Estate	7.94 (84)	7.91 (56)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Fund Index-ODCE (EW) (Net)	7.32 (92)	6.92 (82)	8.36 (84)	14.18 (72)	11.42 (90)	12.36 (71)	9.93 (87)	14.99 (68)	15.12 (59)	-31.30 (56)	-11.09 (48)
IM U.S. Open End Private Real Estate (SA+CF) Median	8.71	8.08	9.63	15.23	13.59	14.47	12.45	15.86	15.81	-30.39	-12.23
Cash	0.45	0.27	0.05	0.04	0.06	0.07	0.09	0.08	0.12	0.22	1.81
90 Day U.S. Treasury Bill	1.87	0.86	0.25	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Peer Group Analysis - All Master Trust - Total Fund





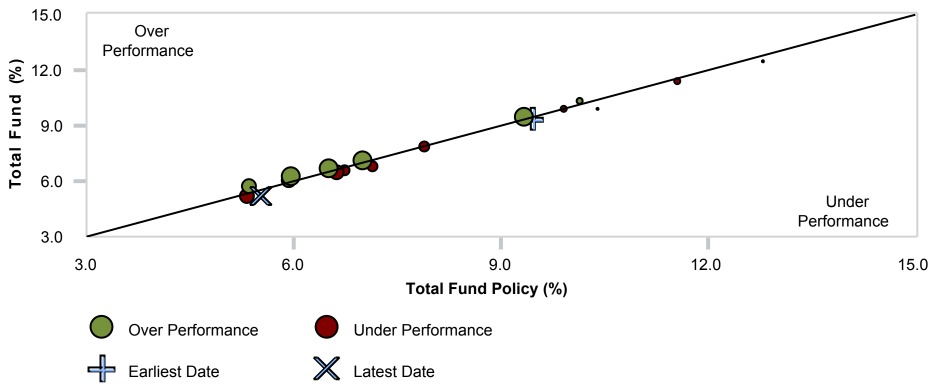
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Fund	-8.41	(59)	-4.85	(66)	-4.85	(66)	3.59	(71)	5.17	(58)	3.94	(43)	4.55	(43)
Total Policy	-7.36	(41)	-4.53	(58)	-4.53	(58)	3.98	(60)	5.53	(43)	3.99	(42)	4.80	(32)
Median	-7.98		-4.03		-4.03		4.47		5.38		3.76		4.36	

	2017		2016		2015		2014		2013	
Total Fund	12.78	(75)	8.39	(25)	0.34	(32)	7.03	(37)	16.82	(38)
Total Policy	13.24	(72)	8.69	(20)	-0.47	(51)	8.08	(23)	16.78	(38)
Median	14.96		7.19		-0.46		6.30		15.44	

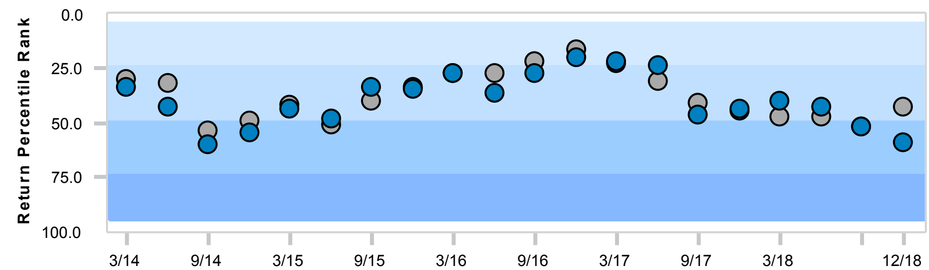
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Total Fund	3.06	(32)	1.14	(40)	-0.33	(43)	3.21	(68)	2.69	(78)	2.40	(75)
Total Fund Policy	2.98	(35)	1.09	(42)	-1.01	(80)	3.69	(44)	2.87	(72)	2.26	(78)
All Master Trust - Total Fund Median	2.53		0.89		-0.46		3.58		3.30		2.90	

3 Yr Rolling Under/Over Performance - 5 Years

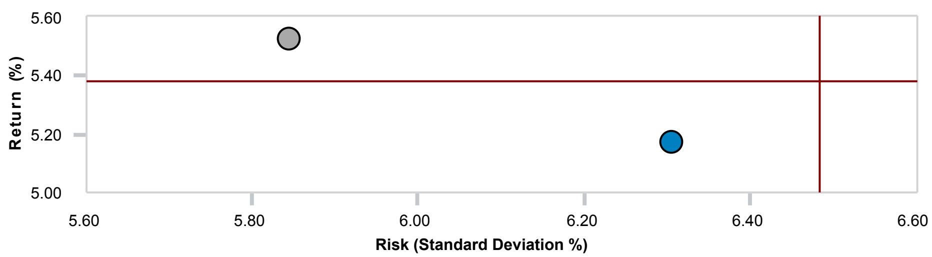


3 Yr Rolling Percentile Ranking - 5 Years



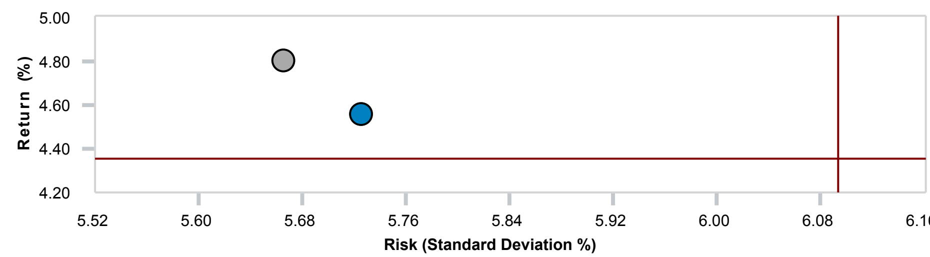
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	3 (15%)	13 (65%)	4 (20%)	0 (0%)
Total Policy	20	3 (15%)	14 (70%)	3 (15%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	5.17	6.31
Total Policy	5.53	5.84
Median	5.38	6.49

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	4.55	5.73
Total Policy	4.80	5.67
Median	4.36	6.09

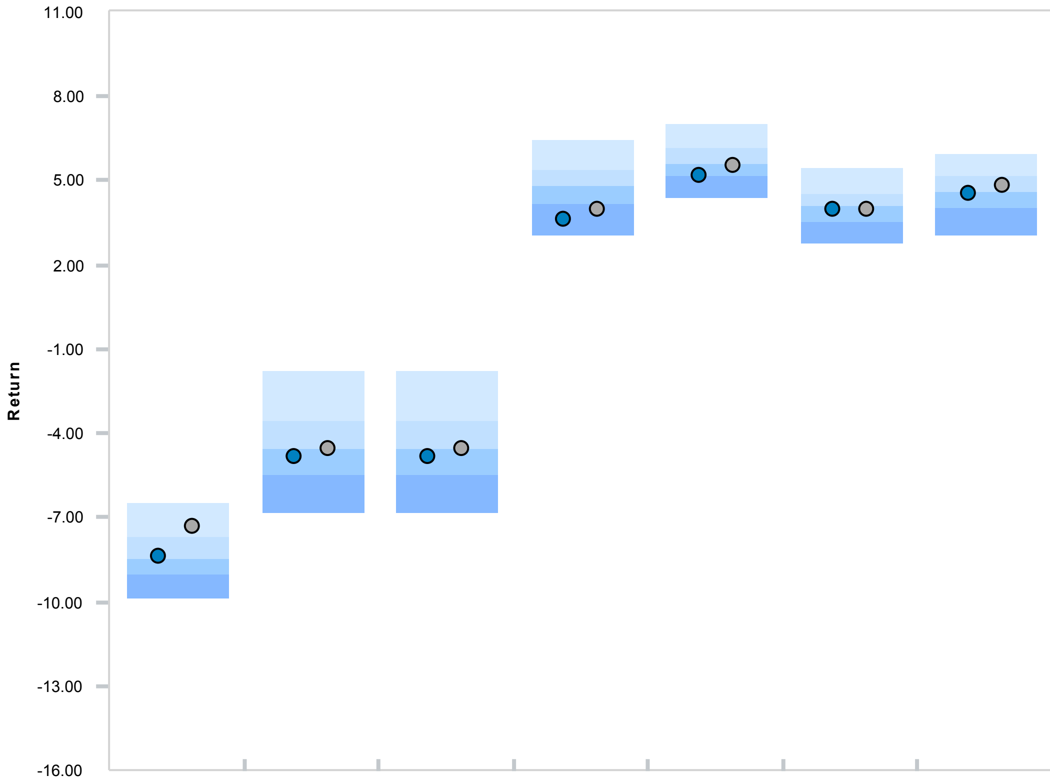
Historical Statistics - 3 Years

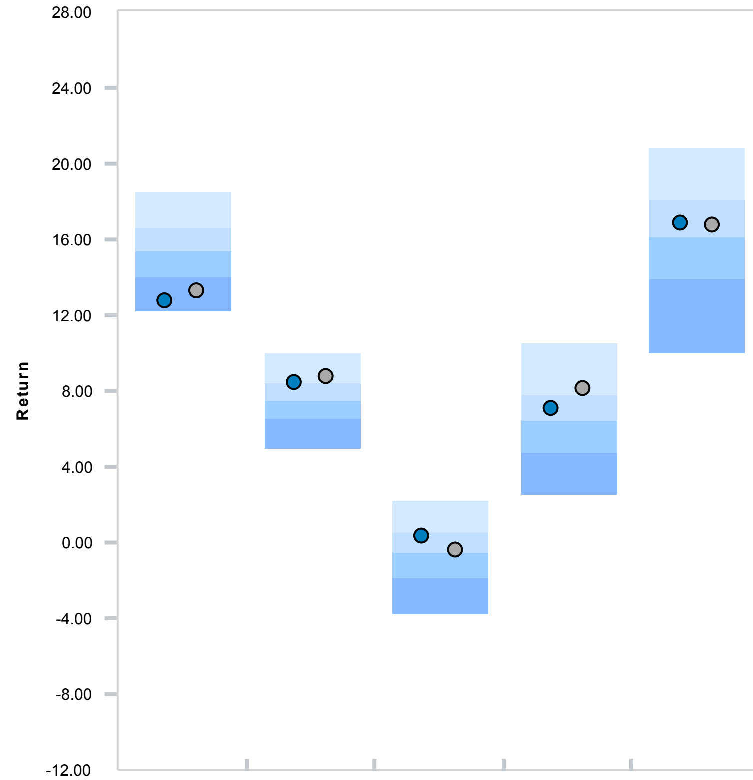
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	0.94	97.76	104.52	-0.70	-0.33	0.66	1.07	4.86
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.76	1.00	4.29

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.08	93.30	90.06	-0.20	-0.22	0.69	0.99	4.28
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.74	1.00	3.99

Peer Group Analysis - Master Trust >=45% and <65% Equity





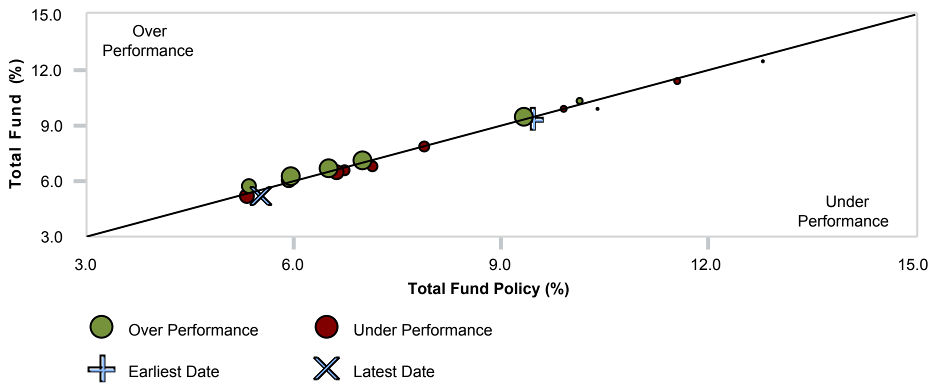
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Fund	-8.41	(47)	-4.85	(61)	-4.85	(61)	3.59	(88)	5.17	(74)	3.94	(55)	4.55	(53)
Total Policy	-7.36	(17)	-4.53	(49)	-4.53	(49)	3.98	(78)	5.53	(53)	3.99	(53)	4.80	(41)
Median	-8.47		-4.54		-4.54		4.81		5.57		4.12		4.62	

	2017		2016		2015		2014		2013	
Total Fund	12.78	(91)	8.39	(27)	0.34	(30)	7.03	(37)	16.82	(42)
Total Policy	13.24	(87)	8.69	(22)	-0.47	(48)	8.08	(21)	16.78	(42)
Median	15.35		7.44		-0.58		6.41		16.11	

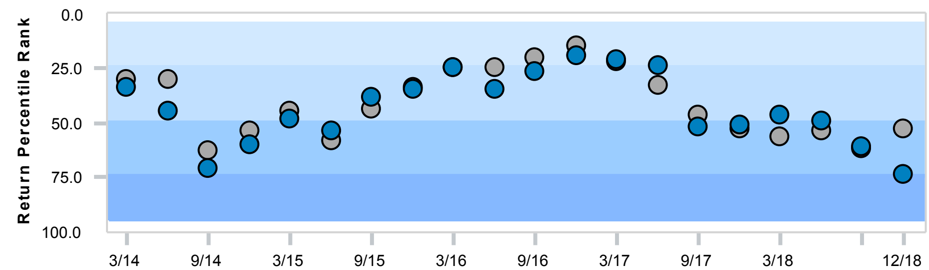
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Total Fund	3.06	(37)	1.14	(46)	-0.33	(47)	3.21	(84)	2.69	(95)	2.40	(87)
Total Fund Policy	2.98	(41)	1.09	(48)	-1.01	(85)	3.69	(50)	2.87	(91)	2.26	(90)
Master Trust >=45% and <65% Equity Median	2.74		1.04		-0.38		3.68		3.45		2.95	

3 Yr Rolling Under/Over Performance - 5 Years

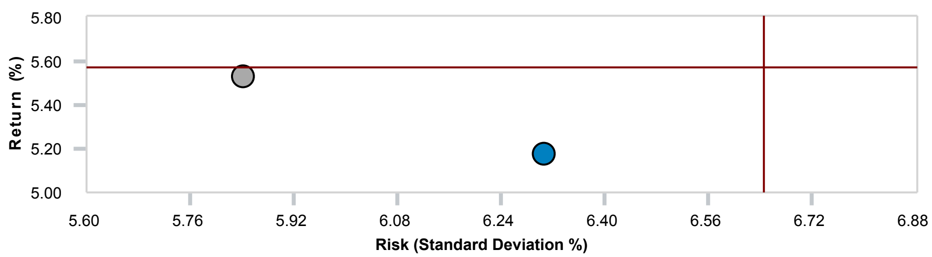


3 Yr Rolling Percentile Ranking - 5 Years



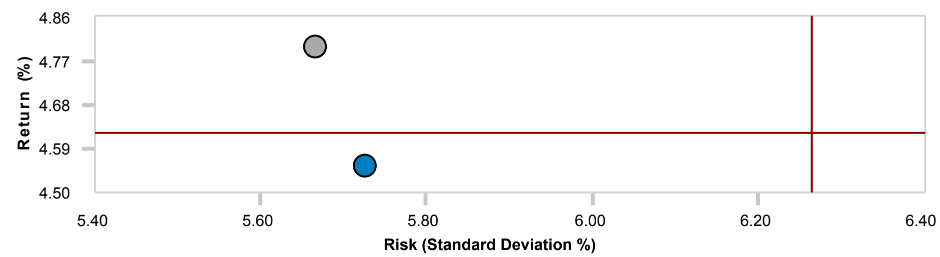
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	4 (20%)	9 (45%)	7 (35%)	0 (0%)
Total Policy	20	5 (25%)	7 (35%)	8 (40%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	5.17	6.31
Total Policy	5.53	5.84
Median	5.57	6.65

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	4.55	5.73
Total Policy	4.80	5.67
Median	4.62	6.27

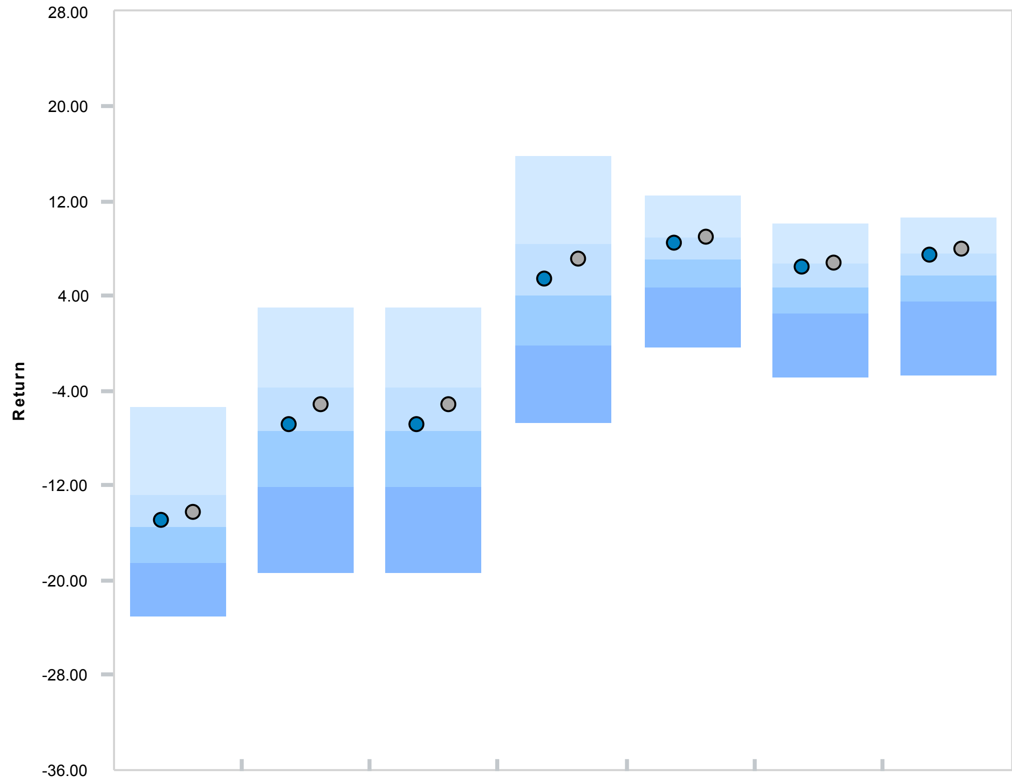
Historical Statistics - 3 Years

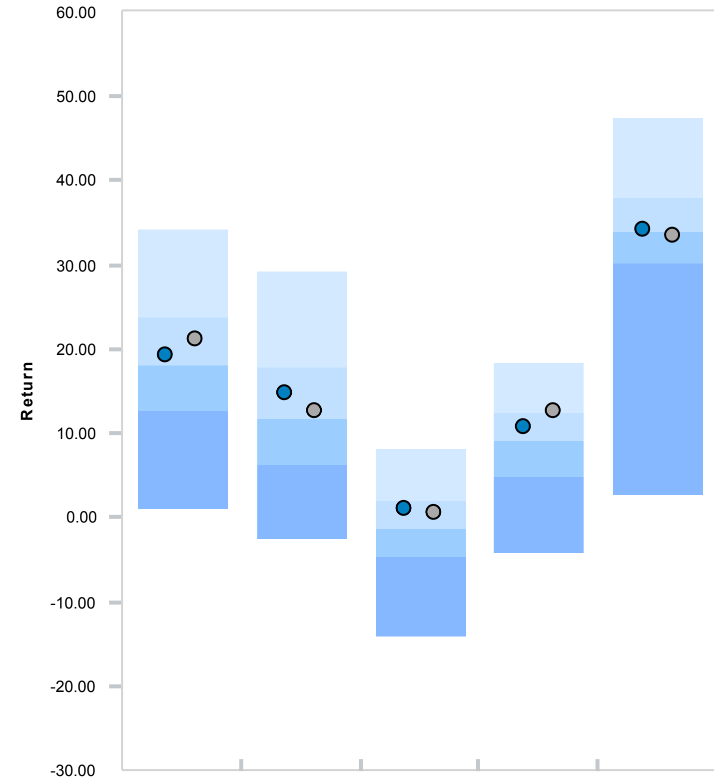
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	0.94	97.76	104.52	-0.70	-0.33	0.66	1.07	4.86
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.76	1.00	4.29

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.08	93.30	90.06	-0.20	-0.22	0.69	0.99	4.28
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.74	1.00	3.99

Peer Group Analysis - IM U.S. Equity (SA+CF+MF)





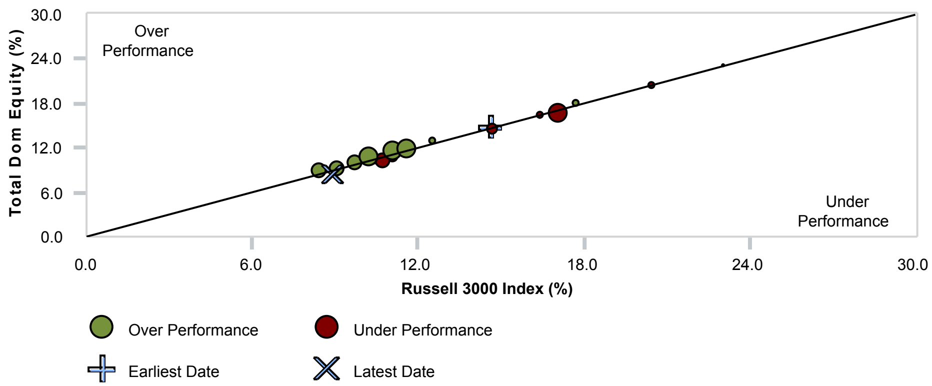
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Dom Equity	-14.91	(46)	-6.90	(47)	-6.90	(47)	5.35	(43)	8.40	(34)	6.52	(28)	7.37	(29)
Russell 3000	-14.30	(40)	-5.24	(36)	-5.24	(36)	7.14	(34)	8.97	(26)	6.78	(25)	7.91	(22)
Median	-15.47		-7.43		-7.43		4.03		7.11		4.72		5.70	

	2017		2016		2015		2014		2013	
Total Dom Equity	19.21	(46)	14.78	(36)	1.07	(32)	10.85	(38)	34.22	(48)
Russell 3000	21.13	(37)	12.74	(45)	0.48	(36)	12.56	(25)	33.55	(53)
Median	18.18		11.71		-1.45		9.18		33.88	

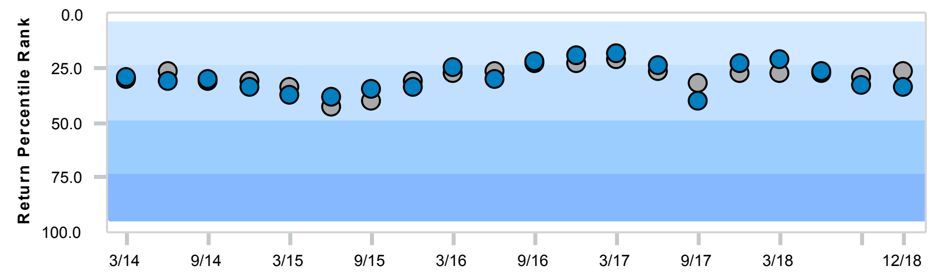
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Total Dom Equity	6.20	(41)	2.82	(61)	0.20	(36)	5.97	(42)	4.02	(59)	2.61	(50)
Russell 3000 Index	7.12	(30)	3.89	(46)	-0.64	(47)	6.34	(34)	4.57	(45)	3.02	(42)
IM U.S. Equity (SA+CF+MF) Median	5.44		3.57		-0.78		5.50		4.37		2.61	

3 Yr Rolling Under/Over Performance - 5 Years

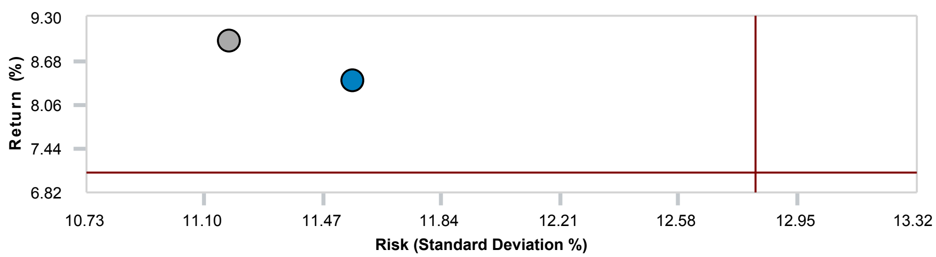


3 Yr Rolling Percentile Ranking - 5 Years



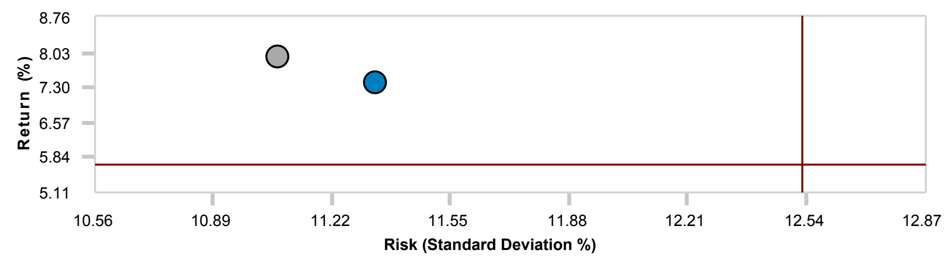
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Dom Equity	20	7 (35%)	13 (65%)	0 (0%)	0 (0%)
Russell 3000	20	3 (15%)	17 (85%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Dom Equity	8.40	11.56
Russell 3000	8.97	11.18
Median	7.11	12.82

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Dom Equity	7.37	11.34
Russell 3000	7.91	11.07
Median	5.70	12.53

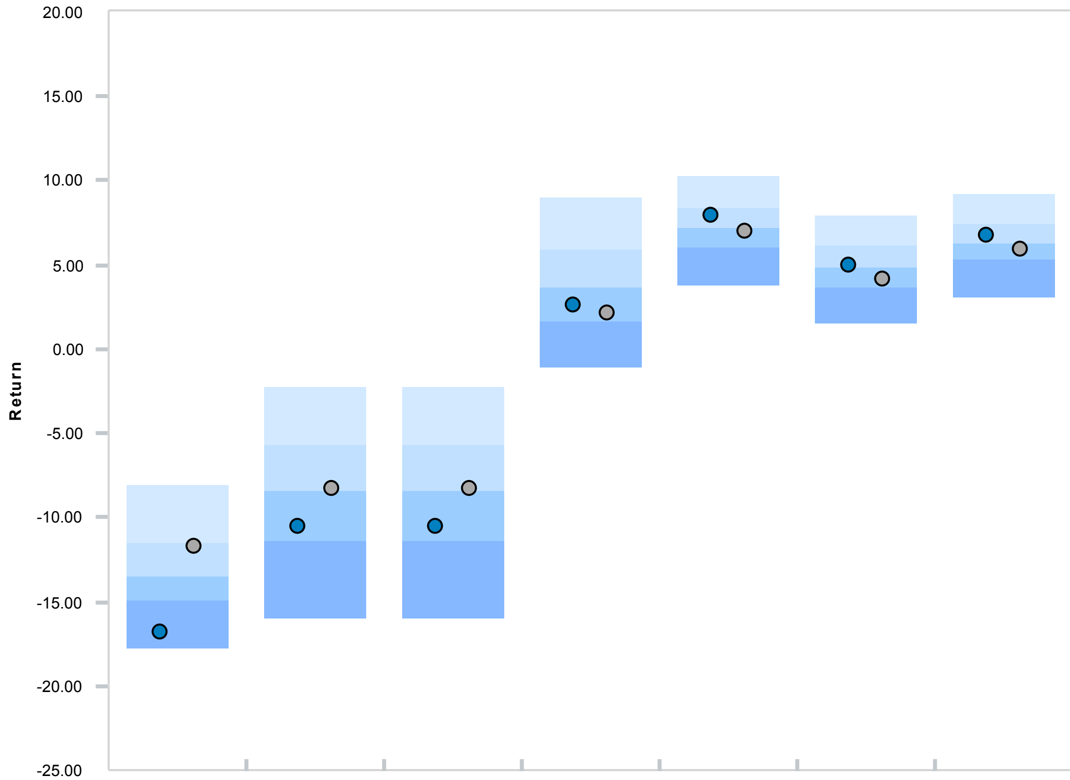
Historical Statistics - 3 Years

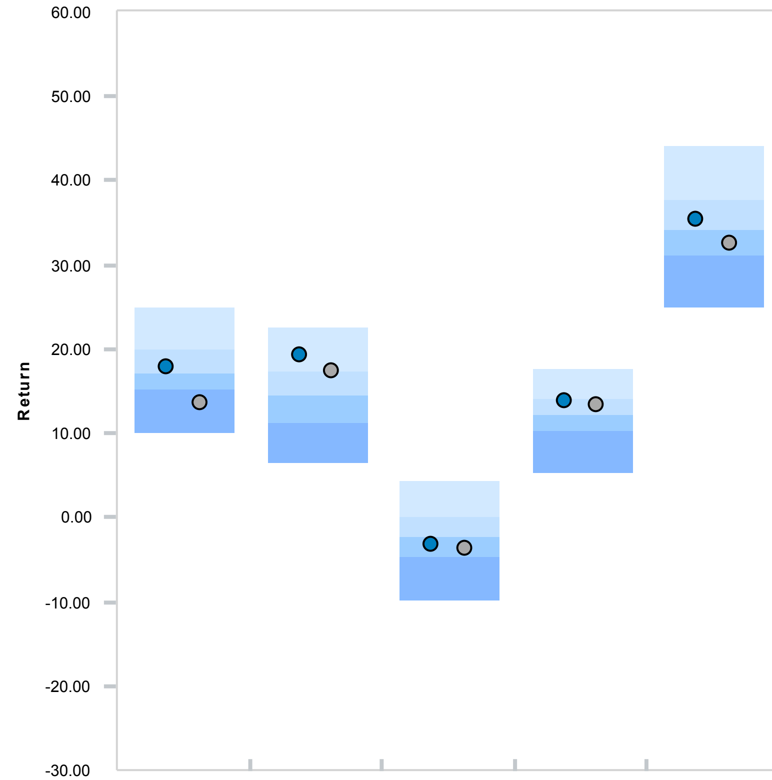
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Equity	2.25	97.45	99.93	-0.62	-0.22	0.67	1.01	8.14
Russell 3000 Index	0.00	100.00	100.00	0.00	N/A	0.74	1.00	8.06

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Equity	2.04	97.12	99.34	-0.54	-0.23	0.63	1.01	7.38
Russell 3000 Index	0.00	100.00	100.00	0.00	N/A	0.69	1.00	7.40

Peer Group Analysis - IM U.S. Large Cap Value Equity (SA+CF)





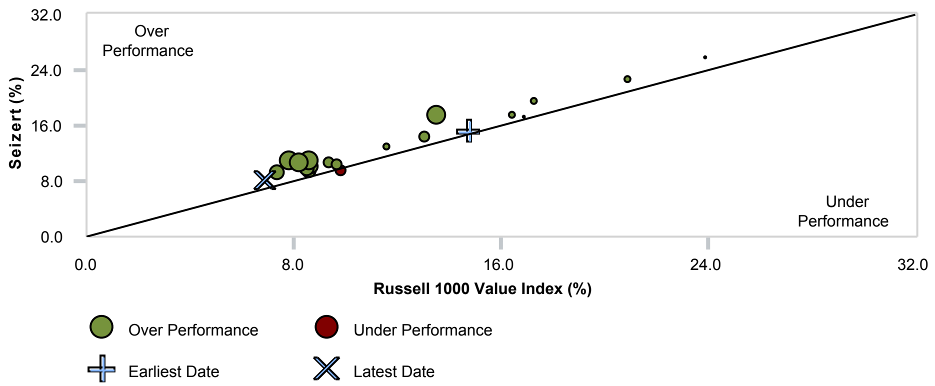
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
● Seizert	-16.83	(90)	-10.57	(69)	-10.57	(69)	2.64	(63)	7.89	(37)	5.01	(44)	6.71	(36)
● R 1000 V	-11.72	(29)	-8.27	(49)	-8.27	(49)	2.11	(70)	6.95	(55)	4.15	(65)	5.95	(61)
Median	-13.56		-8.40		-8.40		3.61		7.23		4.81		6.24	

	2017		2016		2015		2014		2013	
● Seizert	17.79	(44)	19.21	(16)	-3.16	(62)	13.78	(31)	35.28	(42)
● R 1000 V	13.66	(88)	17.34	(25)	-3.83	(69)	13.45	(35)	32.53	(62)
Median	17.21		14.42		-2.25		12.22		34.27	

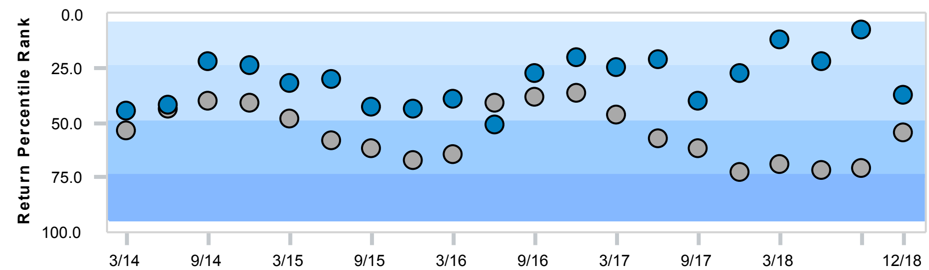
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Seizert	8.95	(4)	-0.72	(97)	-0.58	(15)	6.18	(53)	4.16	(48)	2.15	(49)
Russell 1000 Value Index	5.70	(50)	1.18	(66)	-2.83	(75)	5.33	(76)	3.11	(80)	1.34	(72)
IM U.S. Large Cap Value Equity (SA+CF) Median	5.70		1.73		-1.96		6.31		4.09		2.06	

3 Yr Rolling Under/Over Performance - 5 Years

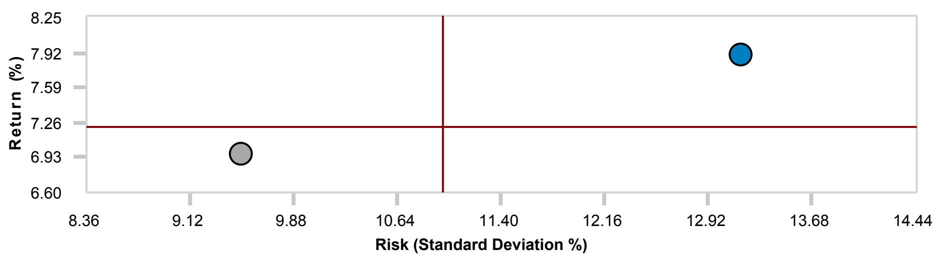


3 Yr Rolling Percentile Ranking - 5 Years



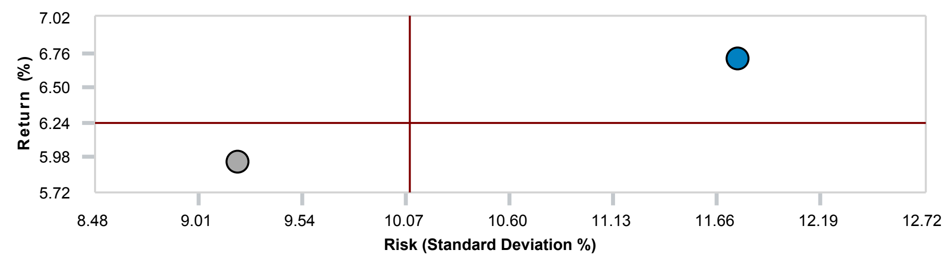
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Seizert	20	8 (40%)	11 (55%)	1 (5%)	0 (0%)
R 1000 V	20	0 (0%)	8 (40%)	12 (60%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Seizert	7.89	13.16
R 1000 V	6.95	9.50
Median	7.23	10.98

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Seizert	6.71	11.77
R 1000 V	5.95	9.21
Median	6.24	10.09

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Seizert	4.77	110.13	106.33	0.24	0.24	0.57	1.12	8.80
Russell 1000 Value Index	0.00	100.00	100.00	0.00	N/A	0.58	1.00	7.67

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Seizert	4.14	107.43	103.41	0.26	0.22	0.53	1.11	8.22
Russell 1000 Value Index	0.00	100.00	100.00	0.00	N/A	0.53	1.00	7.31

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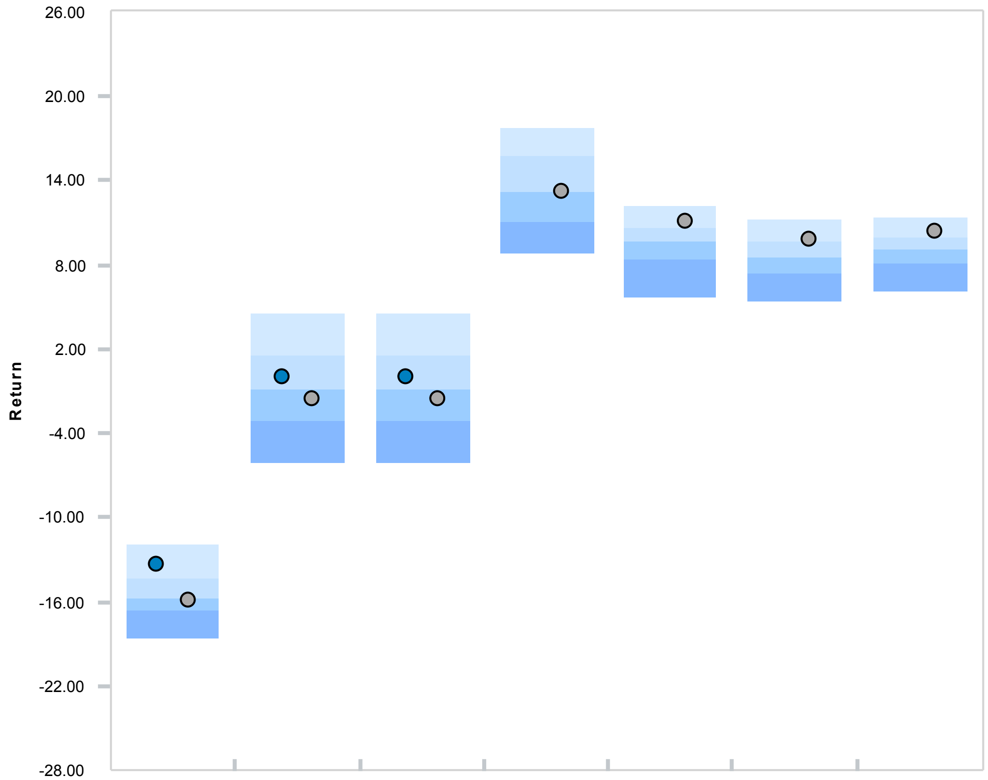
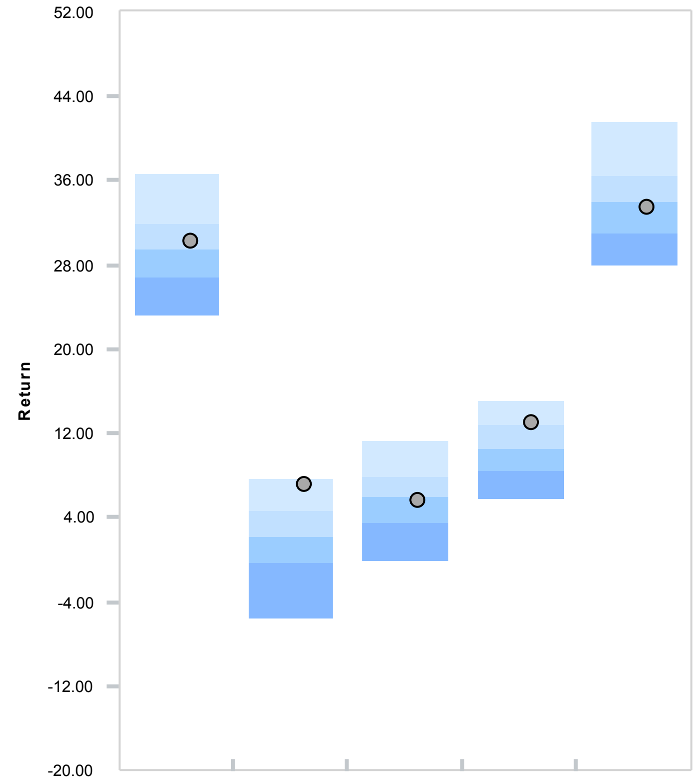
Peer Group Analysis - IM U.S. Large Cap Growth Equity (MF)





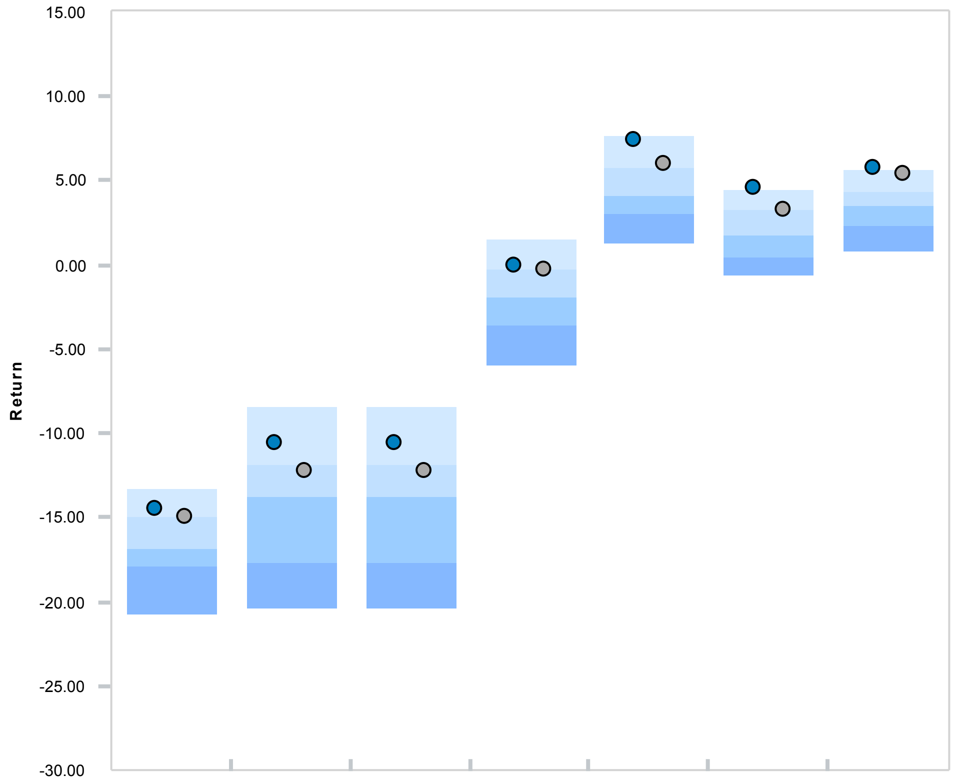
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
ClearBridge (LSITX)	-13.35	(14)	0.05	(40)	0.05	(40)	N/A		N/A		N/A		N/A	
R1000 Growth Idx	-15.89	(53)	-1.51	(59)	-1.51	(59)	13.24	(50)	11.15	(17)	9.75	(24)	10.40	(15)
Median	-15.78		-0.85		-0.85		13.19		9.62		8.58		9.11	

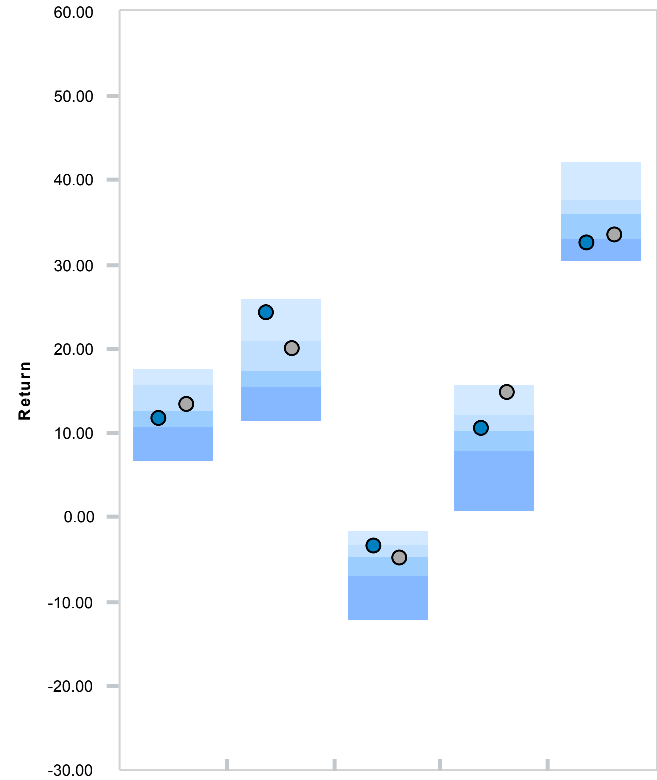
	2017		2016		2015		2014		2013	
ClearBridge (LSITX)	N/A		N/A		N/A		N/A		N/A	
R1000 Growth Idx	30.21	(41)	7.08	(8)	5.67	(54)	13.05	(22)	33.48	(55)
Median	29.46		2.11		6.00		10.46		33.94	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
ClearBridge (LSITX)	7.78	(50)	5.31	(66)	1.73	(73)	N/A		N/A		N/A	
Russell 1000 Growth Index	9.17	(11)	5.76	(51)	1.42	(79)	7.86	(10)	5.90	(35)	4.67	(70)
IM U.S. Large Cap Growth Equity (MF) Median	7.78		5.80		2.84		6.65		5.49		5.37	

Peer Group Analysis - IM U.S. Mid Cap Value Equity (MF)





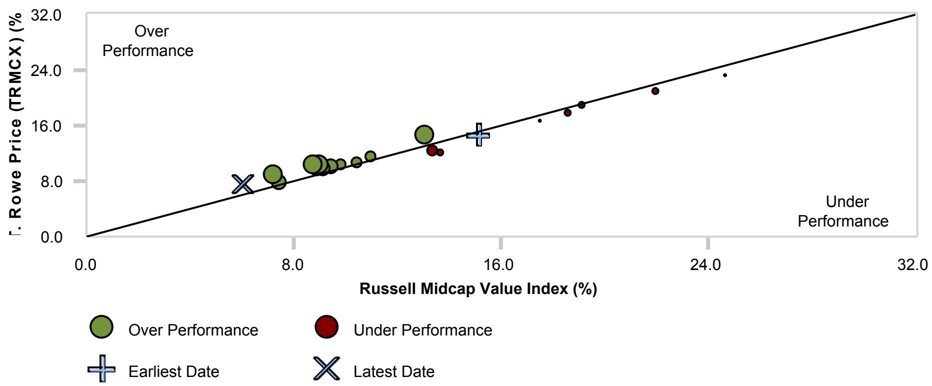
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
T. Rowe Price (TRMCX)	-14.51	(17)	-10.61	(10)	-10.61	(10)	-0.09	(23)	7.47	(9)	4.64	(3)	5.80	(3)
R Midcap Value	-14.95	(28)	-12.29	(28)	-12.29	(28)	-0.29	(26)	6.06	(20)	3.24	(26)	5.44	(7)
Median	-16.88		-13.80		-13.80		-1.92		4.16		1.77		3.49	

	2017		2016		2015		2014		2013	
T. Rowe Price (TRMCX)	11.67	(61)	24.33	(10)	-3.41	(28)	10.60	(47)	32.61	(80)
R Midcap Value	13.34	(47)	20.00	(34)	-4.78	(52)	14.75	(11)	33.46	(74)
Median	12.67		17.39		-4.58		10.30		35.97	

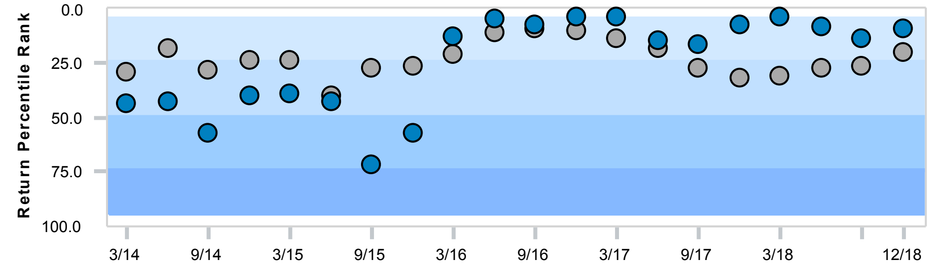
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
T. Rowe Price (TRMCX)	1.24	(82)	3.97	(13)	-0.66	(10)	5.16	(49)	2.97	(40)	-0.13	(79)
Russell Midcap Value Index	3.30	(27)	2.41	(36)	-2.50	(69)	5.50	(42)	2.14	(65)	1.37	(52)
IM U.S. Mid Cap Value Equity (MF) Median	2.87		1.97		-1.98		5.11		2.68		1.37	

3 Yr Rolling Under/Over Performance - 5 Years

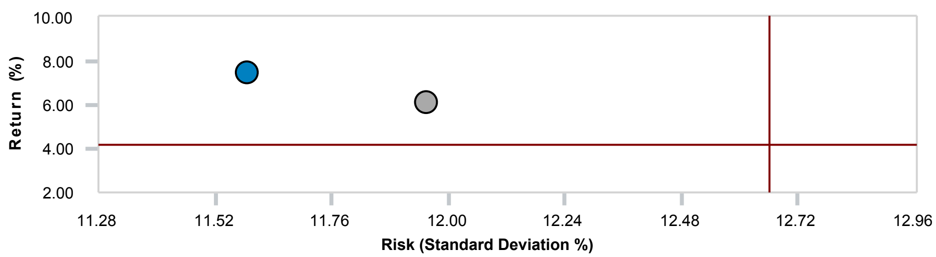


3 Yr Rolling Percentile Ranking - 5 Years



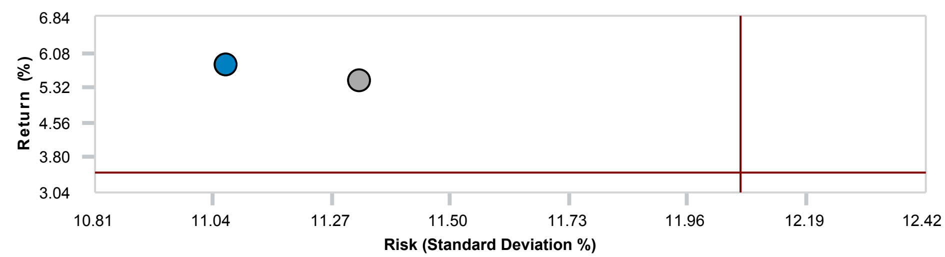
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
T. Rowe Price (TRMCX)	20	12 (60%)	5 (25%)	3 (15%)	0 (0%)
R Midcap Value	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
T. Rowe Price (TRMCX)	7.47	11.59
R Midcap Value	6.06	11.96
Median	4.16	12.66

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
T. Rowe Price (TRMCX)	5.80	11.06
R Midcap Value	5.44	11.32
Median	3.49	12.06

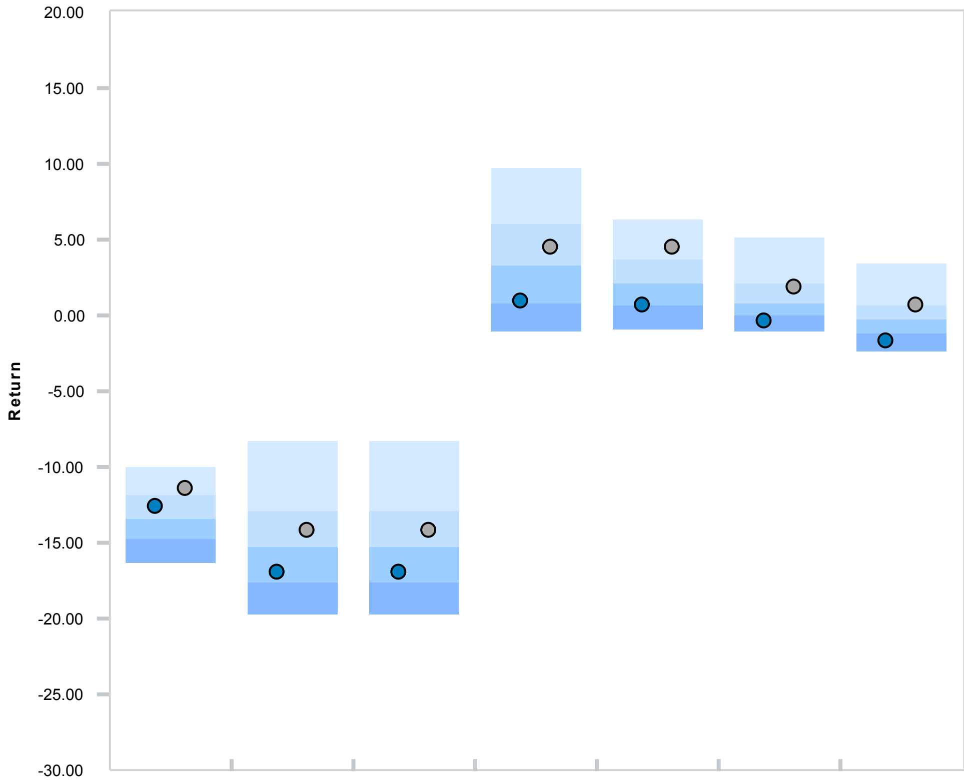
Historical Statistics - 3 Years

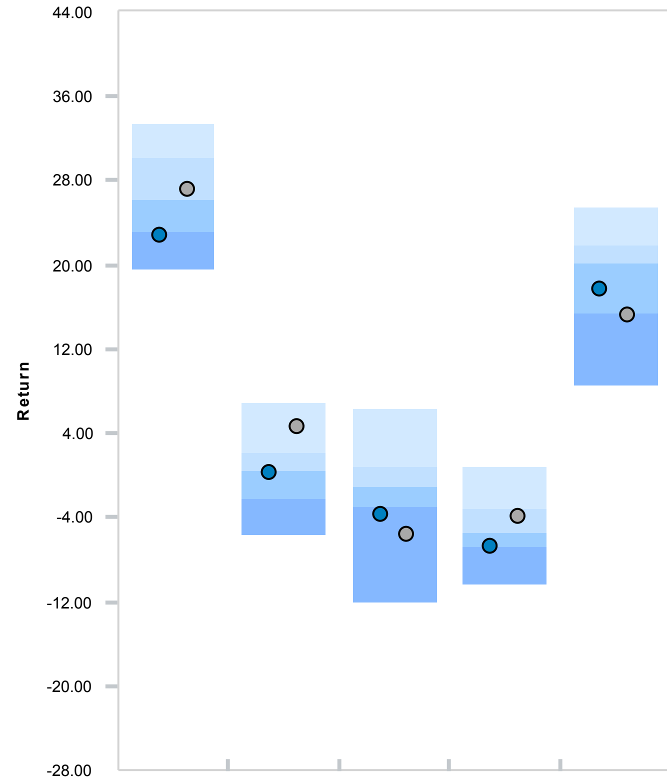
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
T. Rowe Price (TRMCX)	2.77	97.35	84.72	1.67	0.46	0.59	0.94	7.78
Russell Midcap Value Index	0.00	100.00	100.00	0.00	N/A	0.47	1.00	8.71

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
T. Rowe Price (TRMCX)	2.74	96.61	92.31	0.62	0.11	0.51	0.95	7.28
Russell Midcap Value Index	0.00	100.00	100.00	0.00	N/A	0.47	1.00	7.83

Peer Group Analysis - IM International Large Cap Equity (MF)





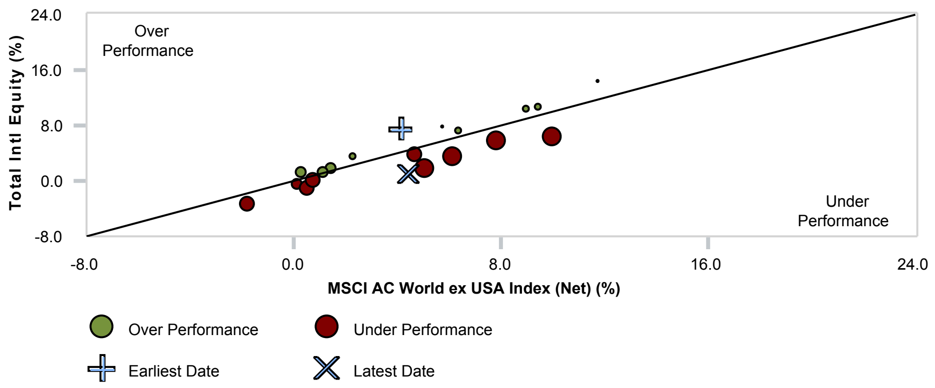
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Intl Equity	-12.59	(36)	-17.04	(72)	-17.04	(72)	0.96	(74)	0.72	(75)	-0.43	(83)	-1.74	(87)
MSCI ACWIxUS Index	-11.46	(19)	-14.20	(38)	-14.20	(38)	4.47	(38)	4.48	(16)	1.84	(28)	0.68	(26)
Median	-13.39		-15.29		-15.29		3.27		2.14		0.83		-0.25	

	2017		2016		2015		2014		2013	
Total Intl Equity	22.86	(80)	0.25	(53)	-3.80	(83)	-6.82	(76)	17.74	(67)
MSCI ACWIxUS Index	27.19	(44)	4.50	(12)	-5.66	(89)	-3.87	(29)	15.29	(77)
Median	26.20		0.39		-1.14		-5.45		20.04	

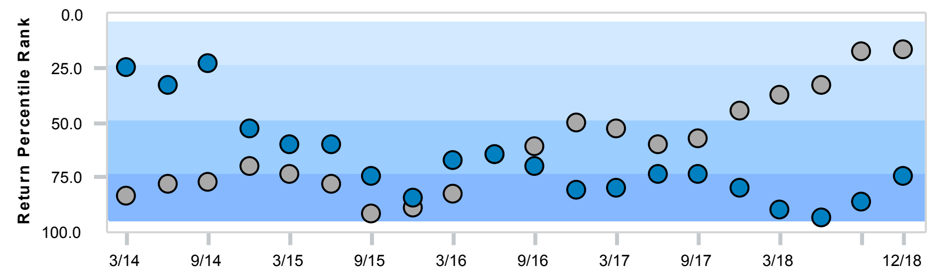
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Total Intl Equity	-0.84	(85)	-2.82	(65)	-1.50	(66)	2.18	(94)	3.61	(90)	6.74	(49)
MSCI AC World ex USA Index (Net)	0.71	(41)	-2.61	(61)	-1.18	(54)	5.00	(13)	6.16	(35)	5.78	(76)
IM International Large Cap Equity (MF) Median	0.41		-2.19		-1.09		4.07		5.26		6.71	

3 Yr Rolling Under/Over Performance - 5 Years

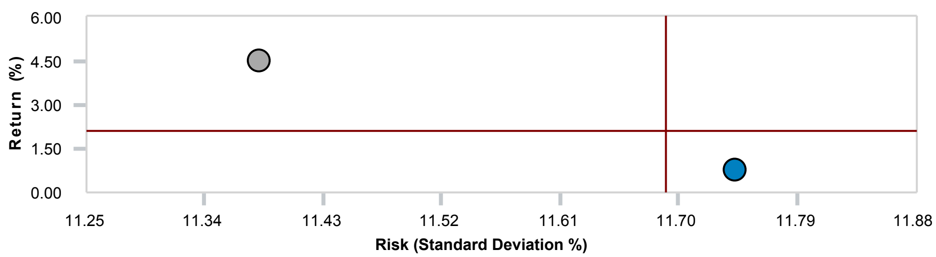


3 Yr Rolling Percentile Ranking - 5 Years



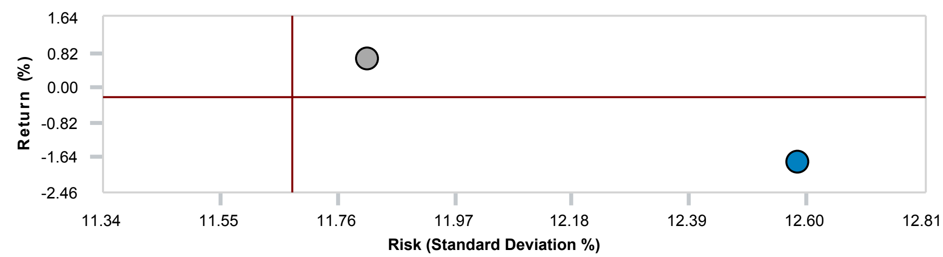
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Intl Equity	20	2 (10%)	1 (5%)	10 (50%)	7 (35%)
MSCI ACWIxUS Index	20	2 (10%)	4 (20%)	7 (35%)	7 (35%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Intl Equity	0.72	11.74
MSCI ACWIxUS Index	4.48	11.38
Median	2.14	11.69

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Intl Equity	-1.74	12.58
MSCI ACWIxUS Index	0.68	11.82
Median	-0.25	11.68

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Intl Equity	3.57	84.25	105.28	-3.48	-1.01	0.04	0.98	8.67
MSCI AC World ex USA Index (Net)	0.00	100.00	100.00	0.00	N/A	0.35	1.00	7.86

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Intl Equity	3.54	92.88	107.22	-2.34	-0.66	-0.12	1.02	9.16
MSCI AC World ex USA Index (Net)	0.00	100.00	100.00	0.00	N/A	0.06	1.00	8.31

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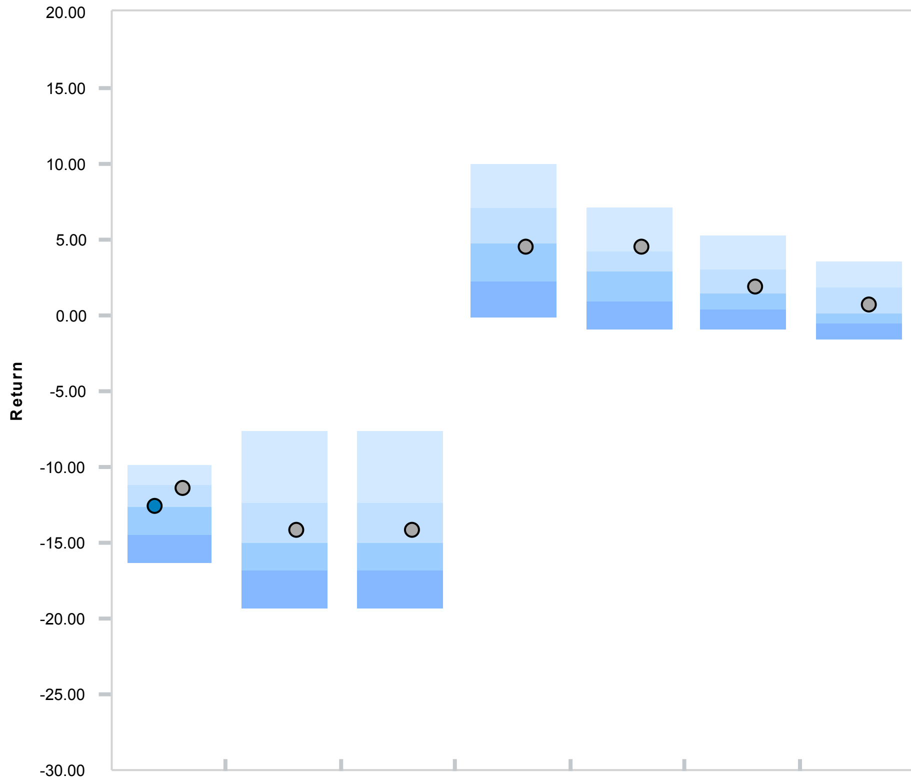
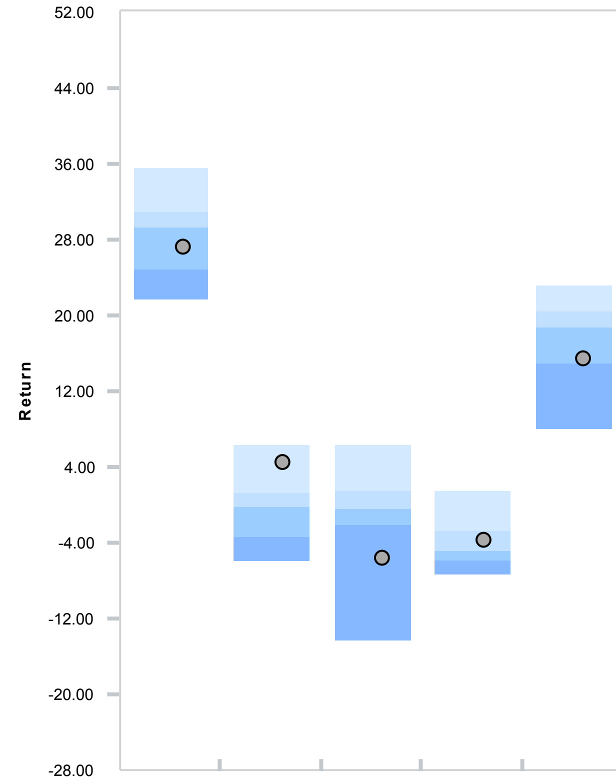
Peer Group Analysis - IM International Large Cap Growth Equity (MF)





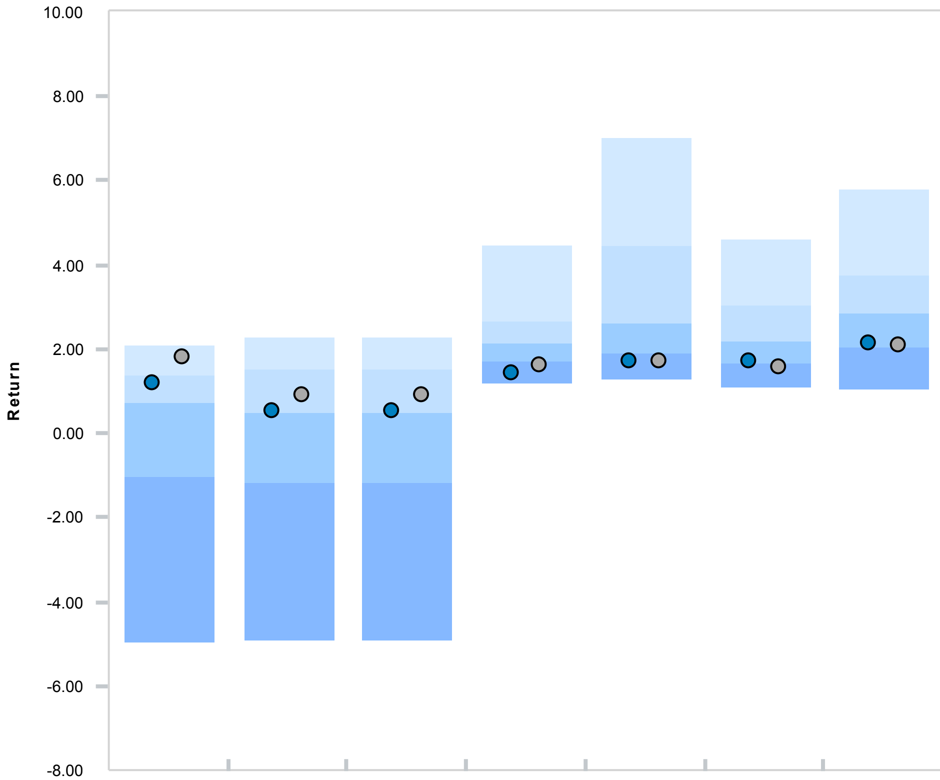
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
AF EuroPacific Gr (RERGX)	-12.59	(43)	N/A		N/A		N/A		N/A		N/A		N/A	
MSCI ACWI ex US Idx	-11.46	(28)	-14.20	(43)	-14.20	(43)	4.47	(55)	4.48	(23)	1.84	(43)	0.68	(41)
Median	-12.68		-15.06		-15.06		4.77		2.84		1.42		0.10	

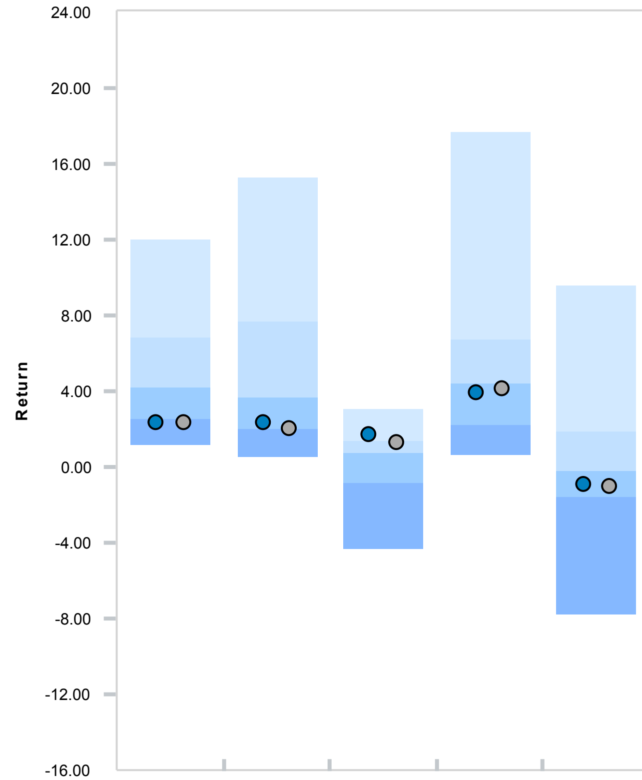
	2017		2016		2015		2014		2013	
AF EuroPacific Gr (RERGX)	N/A		N/A		N/A		N/A		N/A	
MSCI ACWI ex US Idx	27.19	(62)	4.50	(12)	-5.66	(93)	-3.87	(35)	15.29	(73)
Median	29.36		-0.12		-0.36		-4.76		18.71	

Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
AF EuroPacific Gr (RERGX)	-0.84	(79)	-2.82	(59)	N/A		N/A		N/A		N/A	
MSCI AC World ex USA Index (Net)	0.71	(40)	-2.61	(56)	-1.18	(63)	5.00	(12)	6.16	(39)	5.78	(95)
IM International Large Cap Growth Equity (MF) Median	0.24		-2.30		-0.68		4.10		5.24		7.22	

Peer Group Analysis - IM U.S. Fixed Income (SA+CF)





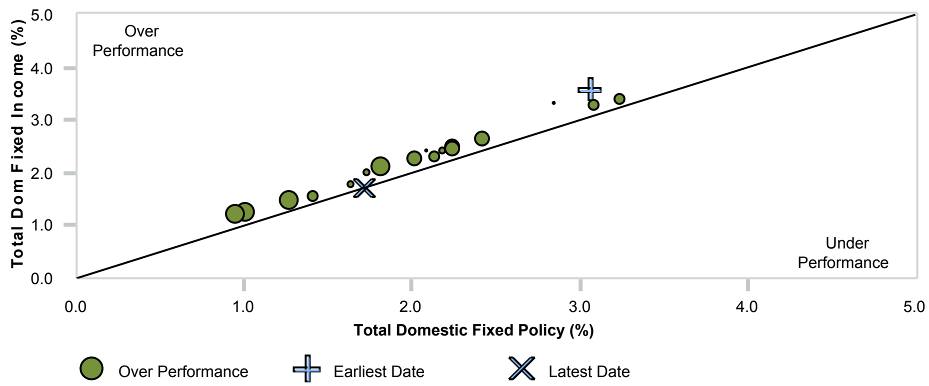
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Dom Fixed Income	1.17	(34)	0.53	(50)	0.53	(50)	1.41	(92)	1.70	(83)	1.70	(75)	2.14	(73)
Total Dom Fixed Policy	1.80	(10)	0.92	(41)	0.92	(41)	1.59	(84)	1.72	(82)	1.59	(80)	2.09	(74)
Median	0.69		0.49		0.49		2.15		2.62		2.18		2.84	

	2017		2016		2015		2014		2013	
Total Dom Fixed Income	2.30	(80)	2.30	(71)	1.70	(17)	3.90	(56)	-0.91	(64)
Total Dom Fixed Policy	2.27	(81)	1.97	(76)	1.21	(31)	4.12	(53)	-1.02	(67)
Median	4.16		3.69		0.73		4.43		-0.19	

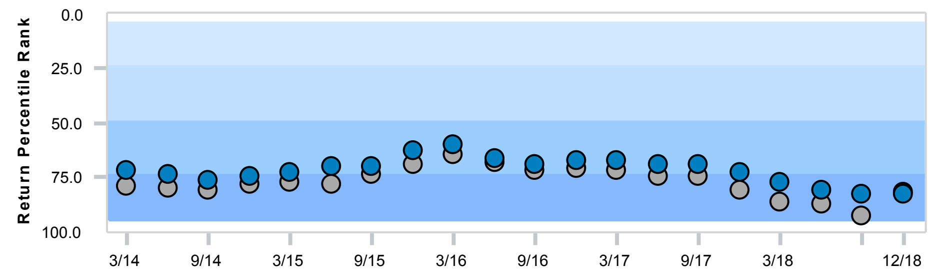
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
Total Dom Fixed Income	0.21	(70)	0.16	(57)	-1.00	(59)	-0.04	(87)	0.68	(75)	0.94	(72)
Total Domestic Fixed Policy	0.11	(77)	0.09	(62)	-1.05	(62)	-0.07	(89)	0.72	(72)	0.92	(72)
IM U.S. Fixed Income (SA+CF) Median	0.47		0.27		-0.85		0.52		0.99		1.47	

3 Yr Rolling Under/Over Performance - 5 Years

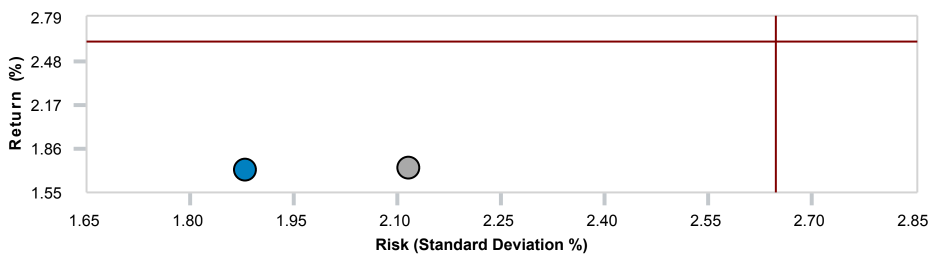


3 Yr Rolling Percentile Ranking - 5 Years



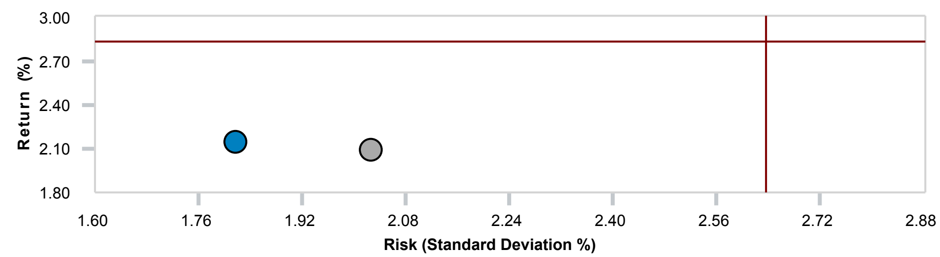
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Dom Fixed Income	20	0 (0%)	0 (0%)	15 (75%)	5 (25%)
Total Dom Fixed Policy	20	0 (0%)	0 (0%)	9 (45%)	11 (55%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Dom Fixed Income	1.70	1.88
Total Dom Fixed Policy	1.72	2.12
Median	2.62	2.65

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Dom Fixed Income	2.14	1.82
Total Dom Fixed Policy	2.09	2.03
Median	2.84	2.64

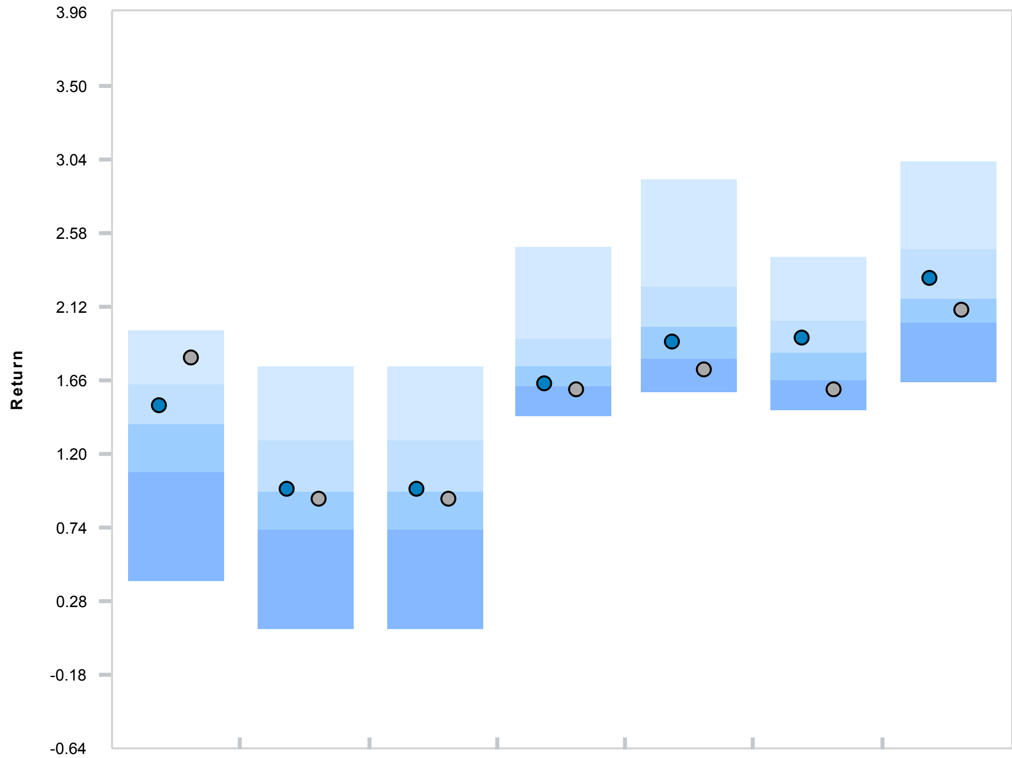
Historical Statistics - 3 Years

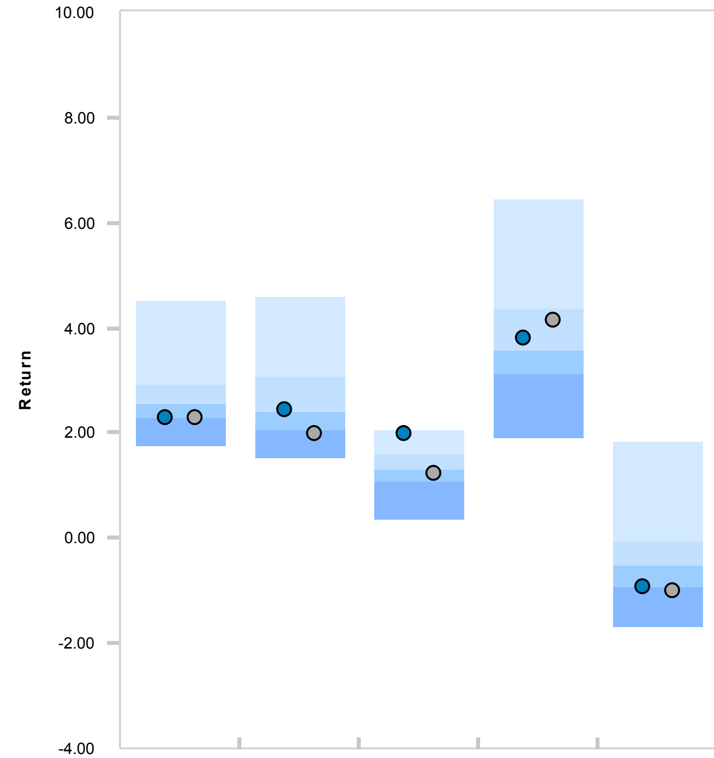
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Fixed Income	0.42	92.77	87.53	0.20	-0.05	0.38	0.88	1.18
Total Domestic Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.35	1.00	1.32

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Fixed Income	0.37	93.71	83.95	0.28	0.11	0.83	0.89	1.00
Total Domestic Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.73	1.00	1.13

Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)





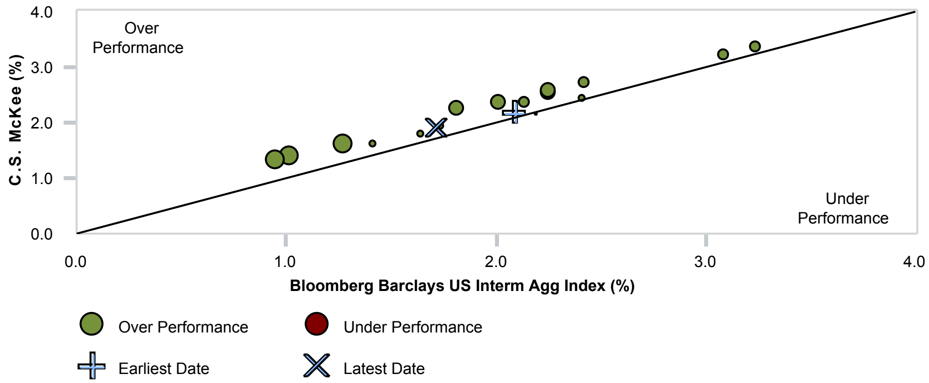
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
C.S. McKee	1.50	(38)	0.97	(50)	0.97	(50)	1.63	(72)	1.90	(63)	1.92	(40)	2.29	(38)
Blmbg Intermed Agg	1.80	(11)	0.92	(53)	0.92	(53)	1.59	(81)	1.72	(81)	1.59	(84)	2.09	(63)
Median	1.39		0.97		0.97		1.75		1.99		1.83		2.17	

	2017		2016		2015		2014		2013	
C.S. McKee	2.30	(71)	2.43	(48)	1.98	(7)	3.79	(43)	-0.93	(74)
Blmbg Intermed Agg	2.27	(76)	1.97	(78)	1.21	(63)	4.12	(30)	-1.02	(80)
Median	2.54		2.39		1.30		3.56		-0.53	

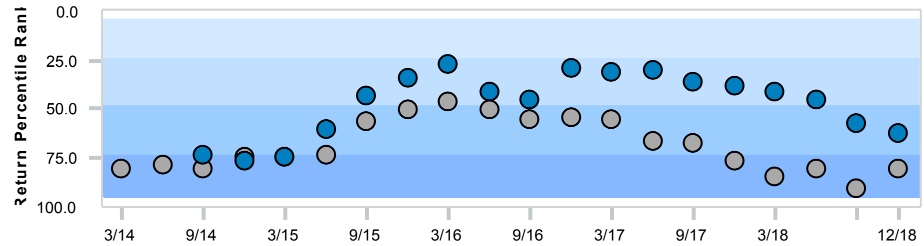
Comparative Performance

	1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017	
C.S. McKee	0.20	(86)	0.23	(23)	-0.95	(63)	0.01	(51)	0.69	(59)	0.89	(81)
Bloomberg Barclays US Interm Agg Index	0.11	(95)	0.09	(61)	-1.05	(83)	-0.07	(77)	0.72	(49)	0.92	(73)
IM U.S. Intermediate Duration (SA+CF) Median	0.37		0.12		-0.90		0.01		0.72		1.01	

3 Yr Rolling Under/Over Performance - 5 Years

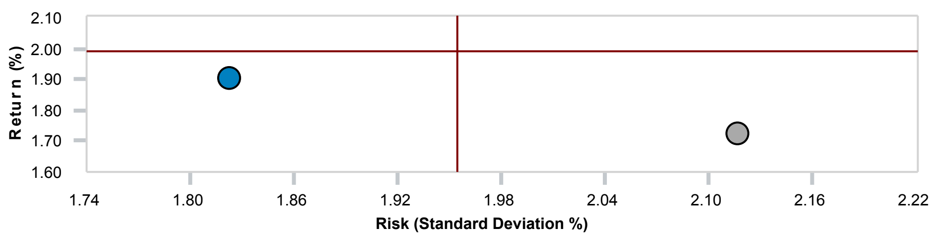


3 Yr Rolling Percentile Ranking - 5 Years



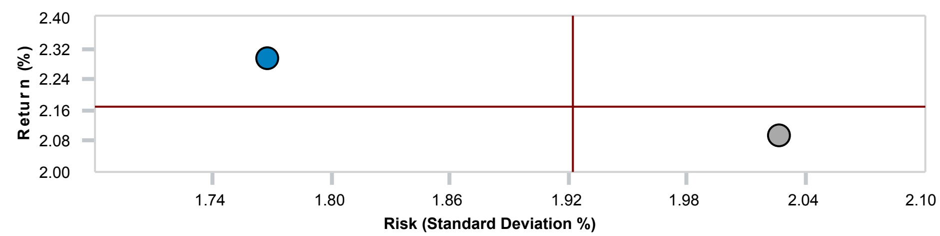
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
C.S. McKee	18	0 (0%)	12 (67%)	5 (28%)	1 (6%)
Blmbg Intermed Agg	20	0 (0%)	1 (5%)	11 (55%)	8 (40%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
C.S. McKee	1.90	1.82
Blmbg Intermed Agg	1.72	2.12
Median	1.99	1.95

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
C.S. McKee	2.29	1.77
Blmbg Intermed Agg	2.09	2.03
Median	2.17	1.92

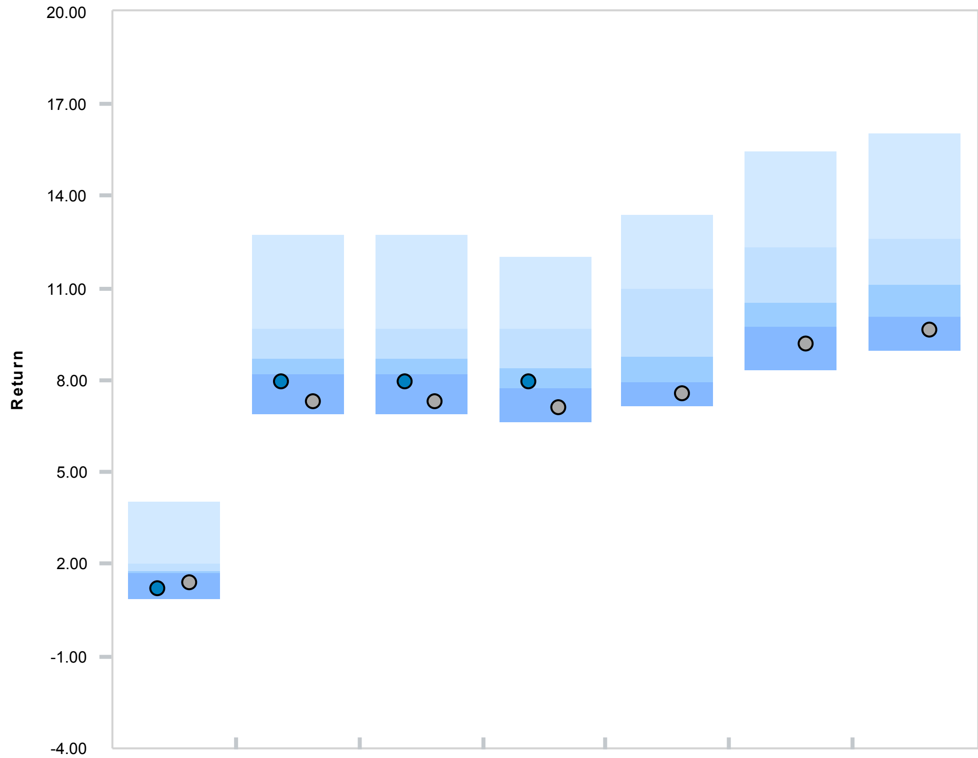
Historical Statistics - 3 Years

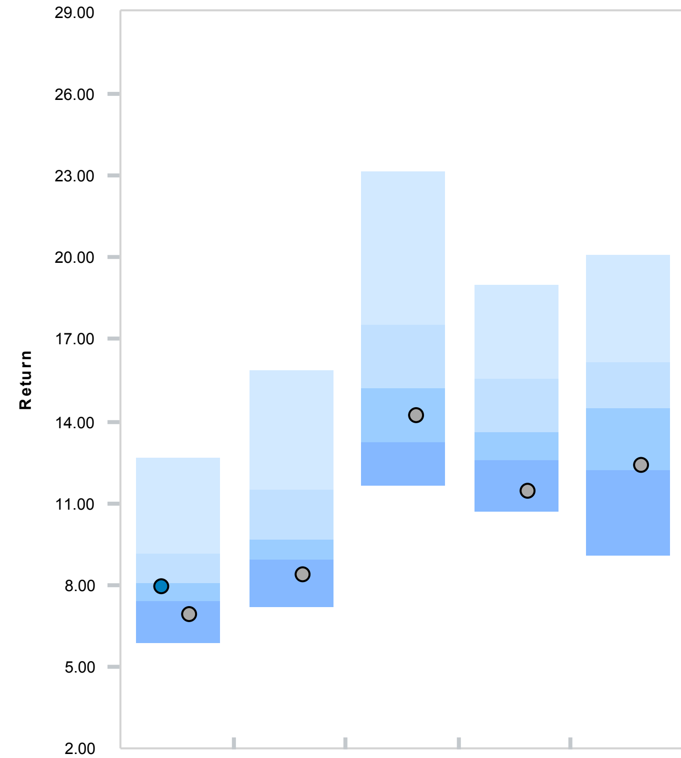
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
C.S. McKee	0.40	92.65	77.76	0.43	0.43	0.50	0.85	1.07
Bloomberg Barclays US Interm Agg Index	0.00	100.00	100.00	0.00	N/A	0.35	1.00	1.32

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
C.S. McKee	0.39	93.27	74.74	0.48	0.49	0.94	0.86	0.91
Bloomberg Barclays US Interm Agg Index	0.00	100.00	100.00	0.00	N/A	0.73	1.00	1.13

Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)





	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Principal Real Estate	1.21 (93)	7.94 (84)	7.94 (84)	7.93 (66)	N/A	N/A	N/A
● NCREIF-ODCE (EW) (Net)	1.40 (89)	7.32 (92)	7.32 (92)	7.12 (90)	7.53 (90)	9.16 (85)	9.60 (89)
Median	1.80	8.71	8.71	8.39	8.79	10.55	11.10

	2017	2016	2015	2014	2013
● Principal Real Estate	7.91 (56)	N/A	N/A	N/A	N/A
● NCREIF-ODCE (EW) (Net)	6.92 (82)	8.36 (84)	14.18 (72)	11.42 (90)	12.36 (71)
Median	8.08	9.63	15.23	13.59	14.47

Comparative Performance

	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017
Principal Real Estate	2.46 (31)	2.19 (53)	1.87 (80)	1.79 (81)	2.04 (40)	2.04 (32)
NCREIF Fund Index-ODCE (EW) (Net)	1.88 (69)	1.89 (78)	1.96 (71)	1.94 (73)	1.68 (59)	1.51 (86)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.10	2.22	2.21	2.25	1.75	1.89

Portfolio Characteristics (Benchmark: Russell 1000 Value Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	146,029,915,633	119,165,529,278
Median Mkt. Cap ($)	62,566,220,530	8,313,076,200
Price/Earnings ratio	13.3	13.7
Price/Book ratio	2.3	2.1
5 Yr. EPS Growth Rate (%)	8.1	8.6
Current Yield (%)	2.2	2.9
Beta (5 Years, Monthly)	1.11	1.00
Number of Stocks	35	725

Top Ten Equity Holdings (Benchmark: Russell 1000 Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Berkshire Hathaway Inc	4.3	2.9	1.4	-4.6
CVS Health Corp	3.5	0.7	2.8	-16.2
Amgen Inc	3.4	0.1	3.3	-5.4
Ingersoll-Rand PLC	3.4	0.1	3.3	-10.4
Verizon Communications Inc	3.2	2.0	1.2	6.5
Bank of America Corp	3.2	1.9	1.3	-15.9
Intel Corp	3.1	1.8	1.3	-0.1
JPMorgan Chase & Co	3.1	2.7	0.4	-12.9
QUALCOMM Inc.	3.0	0.6	2.4	-20.1
Biogen Inc	3.0	0.0	3.0	-14.8

Ten Best Performers (Benchmark: Russell 1000 Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Verizon Communications Inc	3.2	2.0	1.2	6.5
Intel Corp	3.1	1.8	1.3	-0.1
Walmart Inc	3.0	1.1	1.9	-0.3
Anthem Inc	2.2	0.6	1.6	-3.9
Berkshire Hathaway Inc	4.3	2.9	1.4	-4.6
Amgen Inc	3.4	0.1	3.3	-5.4
Johnson & Johnson	2.7	2.4	0.3	-6.0
Cummins Inc.	2.7	0.1	2.6	-7.8
Cisco Systems Inc	2.5	1.7	0.8	-10.3
Ingersoll-Rand PLC	3.4	0.1	3.3	-10.4

Ten Worst Performers (Benchmark: Russell 1000 Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Western Digital Corp	1.9	0.1	1.8	-36.0
Apple Inc	2.9	0.0	2.9	-29.9
Celgene Corp	2.5	0.0	2.5	-28.4
Acuity Brands Inc.	2.9	0.0	2.9	-26.8
Goldman Sachs Group Inc	2.9	0.5	2.4	-25.2
General Dynamics Corp	2.6	0.2	2.4	-22.9
Discovery Inc	2.8	0.1	2.7	-22.0
QUALCOMM Inc.	3.0	0.6	2.4	-20.1
Capital One Financial Corp.	2.8	0.3	2.5	-20.0
Exxon Mobil Corp	2.3	2.4	-0.1	-19.0

Buy and Hold Sector Attribution (Benchmark: Russell 1000 Value Index)

	Allocation		Performance		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Total
Communication Services	14.2	6.8	-12.97	-5.66	-1.04	0.44	-0.59
Consumer Discretionary	0.0	5.3	0.00	-12.80	0.00	0.06	0.06
Consumer Staples	2.5	7.2	-0.27	-4.00	0.10	-0.35	-0.26
Energy	2.4	10.8	-18.98	-23.96	0.12	1.03	1.15
Financials	21.4	22.8	-15.54	-13.46	-0.45	0.03	-0.42
Health Care	23.3	15.2	-11.90	-6.96	-1.15	0.38	-0.77
Industrials	13.0	8.1	-17.68	-19.19	0.20	-0.37	-0.17
Information Technology	19.3	9.8	-19.21	-12.37	-1.32	-0.07	-1.39
Materials	0.0	3.9	0.00	-14.16	0.00	0.10	0.10
Real Estate	0.0	4.6	0.00	-6.53	0.00	-0.24	-0.24
Utilities	0.0	5.6	0.00	1.08	0.00	-0.71	-0.71
Cash	3.9	0.0	0.00	0.00	0.00	0.45	0.45
Total	**100.0**	**100.0**	**-14.41**	**-11.61**	**-3.54**	**0.75**	**-2.79**

Portfolio Comparison

	Seizert Capital
Market Capitalization (%)	
Greater than 25000M	63.6
16000M To 25000M	10.7
12000M To 16000M	8.4
8000M To 12000M	1.9
5000M To 8000M	5.4
3000M To 5000M	5.8
Cash	4.2

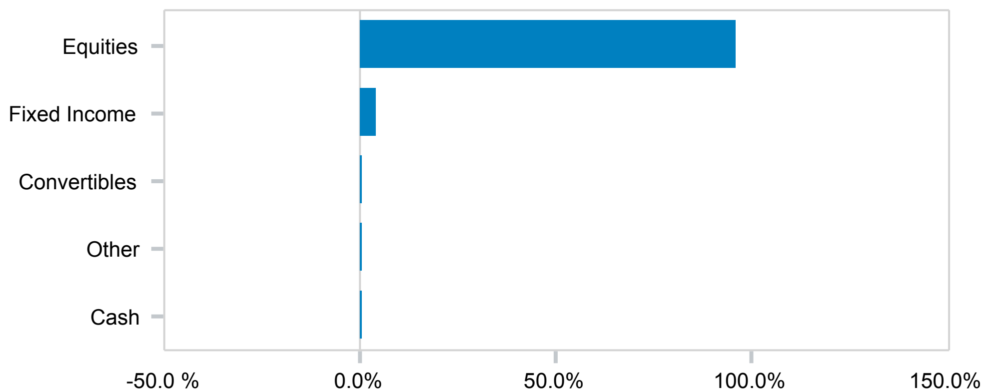
Fund Information

Fund Name :	Legg Mason Partners Equity Trust: ClearBridge Large Cap Growth Fund; Class IS Shares	Portfolio Assets :	$10,423 Million
Fund Family :	Legg Mason	Portfolio Manager :	Bourbeau/Vitrano
Ticker :	LSITX	PM Tenure :	2013--2013
Inception Date :	03/15/2013	Fund Style :	IM U.S. Large Cap Growth Equity (MF)
Fund Assets :	$1,830 Million	Style Benchmark :	Russell 1000 Growth Index
Portfolio Turnover :	24%		

Fund Investment Policy

The Fund seeks long-term capital growth by investing in equity securities of firms with large market capitalizations, including U.S. exchanged-traded and over-the-counter common stocks, convertible securities and warrants and rights related to equity securities. Selecting the best value among growth firms is stressed.

Asset Allocation As of 09/30/2018



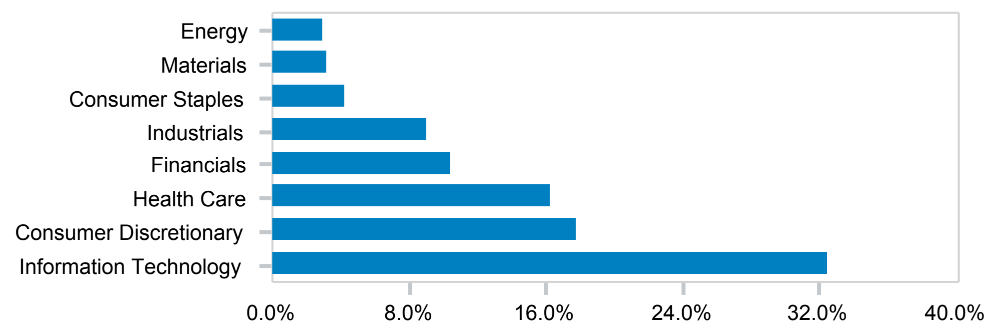
Top Ten Securities As of 09/30/2018

Amazon.com Inc ORD	6.7 %
Microsoft Corp ORD	4.3 %
JPMorgan 100% US Treasury Secs	4.2 %
Visa Inc ORD	3.7 %
Facebook Inc ORD	3.2 %
Alphabet Inc ORD	3.2 %
Adobe Inc ORD	3.1 %
UnitedHealth Group Inc ORD	2.9 %
Apple Inc ORD	2.8 %
Home Depot Inc ORD	2.4 %

Fund Characteristics As of 09/30/2018

Total Securities	49
Avg. Market Cap	$264,281 Million
P/E	34.3
P/B	10.1
Div. Yield	1.8%
Annual EPS	21.8
5Yr EPS	14.4
3Yr EPS Growth	16.9

Sector/Quality Allocation As of 09/30/2018



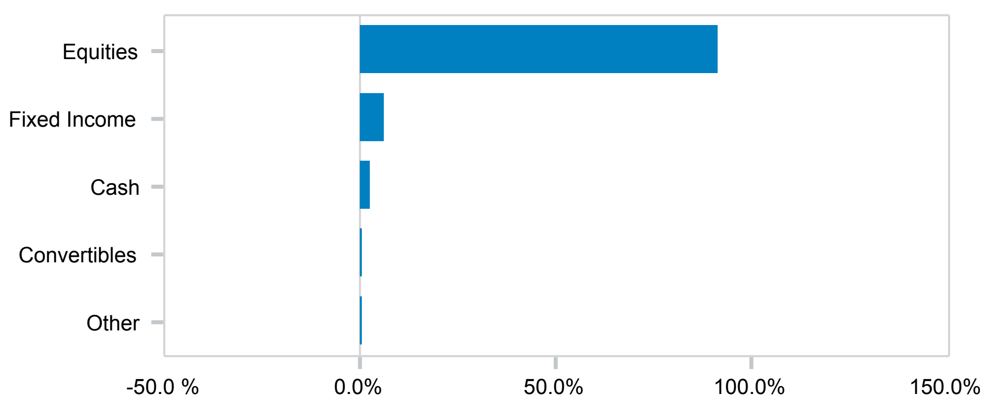
Fund Information

Fund Name :	T Rowe Price Mid-Cap Value Fund, Inc	Portfolio Assets :	$11,604 Million
Fund Family :	T Rowe Price Associates Inc	Portfolio Manager :	David J. Wallack
Ticker :	TRMCX	PM Tenure :	2000
Inception Date :	06/28/1996	Fund Style :	IM U.S. Mid Cap Value Equity (MF)
Fund Assets :	$8,681 Million	Style Benchmark :	Russell Midcap Value Index
Portfolio Turnover :	32%		

Fund Investment Policy

The Fund seeks long-term capital appreciation by using a value-oriented approach. The Fund invests in common stocks of medium sized companies believed to be undervalued in the marketplace.

Asset Allocation As of 09/30/2018



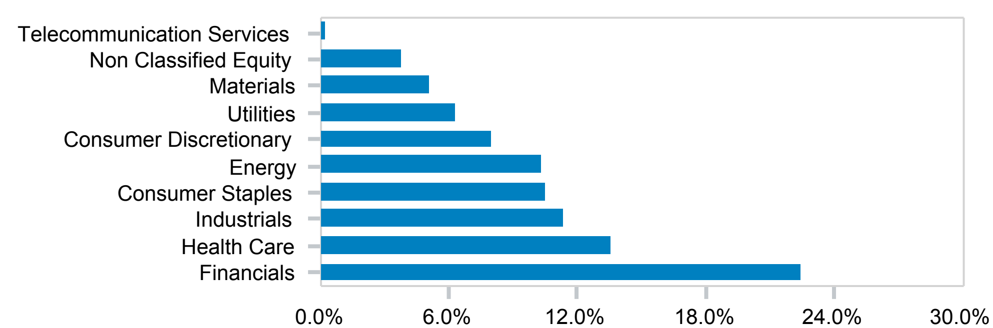
Top Ten Securities As of 09/30/2018

T Rowe Price Government Money Fund	8.9 %
Textron Inc ORD	3.3 %
FirstEnergy Corp ORD	2.7 %
Hess Corp ORD	2.6 %
EQT Corp ORD	2.4 %
Bunge Ltd ORD	2.4 %
Baxter International Inc ORD	2.0 %
Kroger Co ORD	1.8 %
Perrigo Company PLC ORD	1.8 %
Loews Corp ORD	1.6 %

Fund Characteristics As of 09/30/2018

Total Securities	102
Avg. Market Cap	$14,538 Million
P/E	29.7
P/B	3.1
Div. Yield	2.0%
Annual EPS	15.9
5Yr EPS	0.6
3Yr EPS Growth	0.4

Sector/Quality Allocation As of 09/30/2018



Mutual Fund Attributes
American Funds EuPc;R6 (RERGX)
As of December 31, 2018

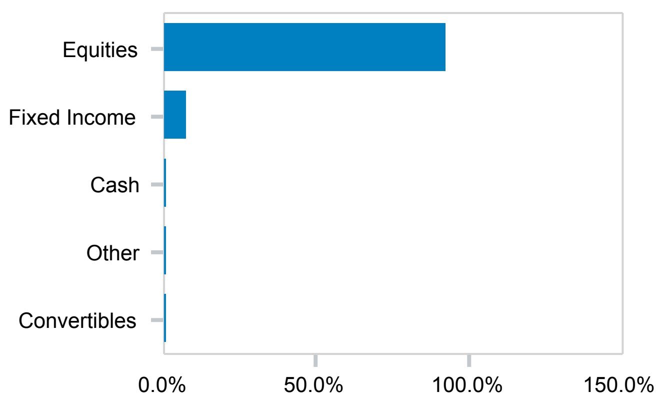
Fund Information

Fund Name :	EuroPacific Growth Fund; Class R6 Shares	Portfolio Assets :	$138,715 Million
Fund Family :	American Funds	Portfolio Manager :	Team Managed
Ticker :	RERGX	PM Tenure :	
Inception Date :	05/01/2009	Fund Style :	IM International Large Cap Growth Equity (MF)
Fund Assets :	$59,719 Million	Style Benchmark :	MSCI EAFE Growth
Portfolio Turnover :	29%		

Fund Investment Policy

The Fund seeks to provide long-term growth of capital by investing in companies based outside the United States. The Fund Invests in companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations.

Asset Allocation As of 09/30/2018



Top Ten Securities As of 09/30/2018

AIA Group Ltd ORD	2.7 %
Airbus SE ORD	2.5 %
Nintendo Co Ltd ORD	2.3 %
Samsung Electronics Co Ltd ORD	2.3 %
Reliance Industries Ltd ORD	2.3 %
HDFC Bank Ltd ORD	2.0 %
Alibaba Group Holding Ltd DR	1.8 %
Sony Corp ORD	1.7 %
ASML Holding NV ORD	1.6 %
Taiwan Semiconductor Manufacturing	1.6 %

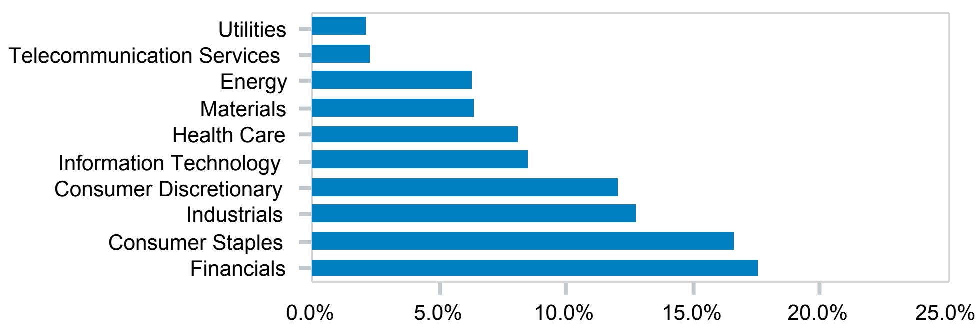
Top 5 Countries As of 09/30/2018

Japan	14.8 %
United Kingdom	8.5 %
India	7.7 %
China	7.0 %
United States	6.4 %

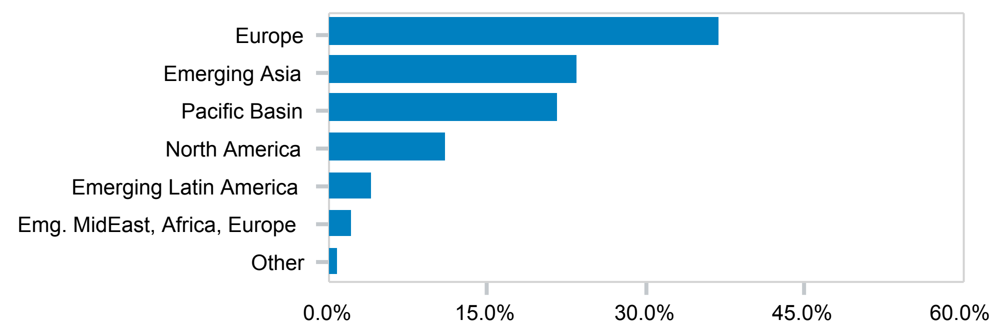
Fund Characteristics As of 09/30/2018

Total Securities	393
Avg. Market Cap	$80,063 Million
P/E	25.2
P/B	4.6
Div. Yield	1.9%
Annual EPS	35.9
5Yr EPS	18.4
3Yr EPS Growth	19.5

Sector/Quality Allocation As of 09/30/2018



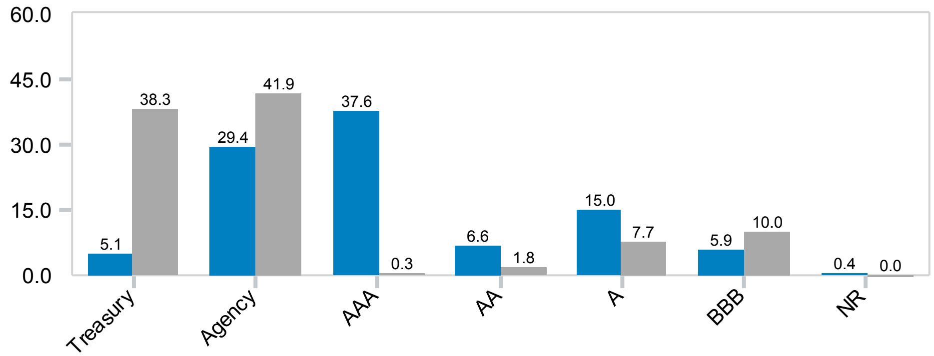
Regional Allocation As of 09/30/2018



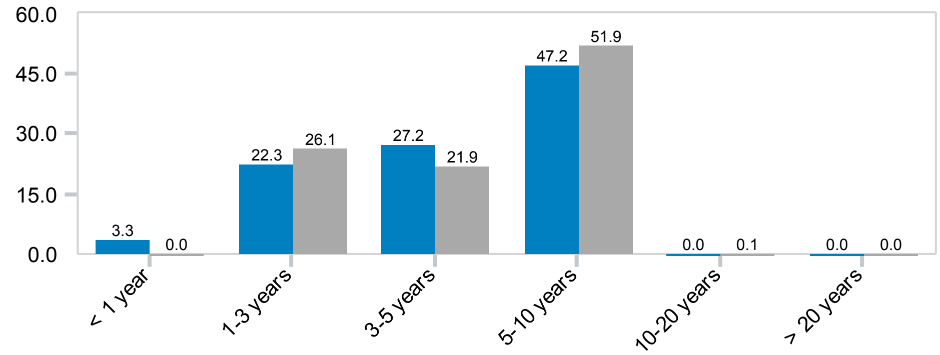
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	4.90	5.27
Avg. Quality	Aa1	AA1/AA2
Coupon Rate (%)	3.21	2.99
Current Yield	3.22	3.00
Effective Duration	4.15	4.13

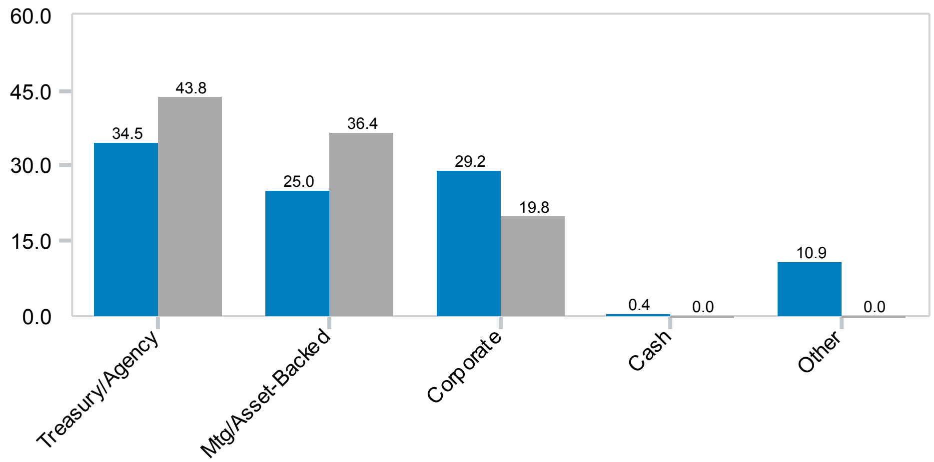
Credit Quality Distribution (%)



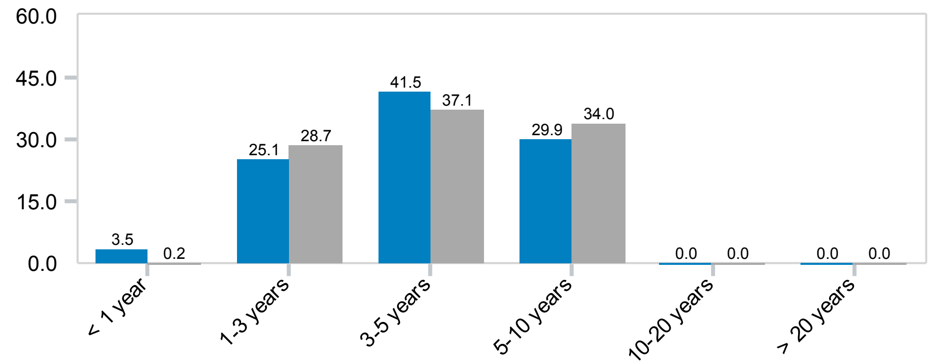
Maturity Distribution (%)



Sector Distribution (%)



Duration Distribution (%)



C.S. McKee

Bloomberg Barclays US Interm Agg Index

Comparative Performance	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR
Fire Total Fund	**-8.46**	**-5.03**	**-5.03**	**4.88**	**4.23**	**6.66**	**7.15**
Fire - Total Fund Policy	-7.36	-4.53	-4.53	5.53	4.80	7.18	7.48
Total Domestic Equity	**-14.95**	**-7.07**	**-7.07**	**8.03**	**6.96**	**11.71**	**13.02**
Russell 3000 Index	-14.30	-5.24	-5.24	8.97	7.91	12.46	13.18
Seizert	-16.95	-11.05	-11.05	7.30	6.16	11.63	12.07
Russell 1000 Value Index	-11.72	-8.27	-8.27	6.95	5.95	11.02	11.18
ClearBridge (LSITX)	-13.35	0.05	0.05	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	-15.89	-1.51	-1.51	11.15	10.40	14.14	15.29
T. Rowe Price (TRMCX)	-14.51	-10.61	-10.61	7.47	5.80	11.08	12.98
Russell Midcap Value Index	-14.95	-12.29	-12.29	6.06	5.44	10.89	13.03
Total International Equity	**-12.59**	**-17.04**	**-17.04**	**0.72**	**-1.74**	**3.74**	**5.65**
MSCI AC World ex USA (Net)	-11.46	-14.20	-14.20	4.48	0.68	4.85	6.57
AF EuroPacific Growth (RERGX)	-12.59	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA (Net)	-11.46	-14.20	-14.20	4.48	0.68	4.85	6.57
Total Domestic Fixed Income	**1.09**	**0.22**	**0.22**	**1.39**	**1.82**	**1.68**	**2.64**
Total Domestic Fixed Policy	1.80	0.92	0.92	1.72	2.09	1.85	2.59
C.S. McKee	1.42	0.67	0.67	1.59	1.98	1.71	N/A
Bloomberg Barclays US Interm Agg Index	1.80	0.92	0.92	1.72	2.09	1.85	3.13
Garcia Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays Intermed Aggregate Index	1.80	0.92	0.92	1.72	2.09	1.85	3.13
Great Lakes	0.79	-0.21	-0.21	1.19	1.66	1.66	N/A
Bloomberg Barclays US Interm Agg Index	1.80	0.92	0.92	1.72	2.09	1.85	3.13
Cash	0.16	0.45	0.45	0.26	0.17	0.15	0.14
90 Day U.S. Treasury Bill	0.56	1.87	1.87	0.99	0.61	0.45	0.35

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
Fire Total Fund	26,888,398	0.54	145,189
Seizert Capital	4,285,981	0.55	23,573
ClearBridge (LSITX)	4,521,295	0.77	34,814
T. Rowe Price (TRMCX)	3,615,084	0.80	28,921
AF EuroPacific Growth (RERGX)	2,977,020	0.50	14,885
C.S. McKee	4,966,416	0.30	14,899
Garcia Hamilton	3,573,090	0.25	8,933
Great Lakes Advisors	1,297,736	0.25	3,244
Principal Real Estate	1,447,254	1.10	15,920

Historical Hybrid Composition

Allocation Mandate	Weight (%)
Jan-1979	
Russell 3000 Index	40.00
MSCI EAFE (Net) Index	5.00
Blmbg. Barc. U.S. Government	55.00
Jul-2011	
Russell 3000 Index	45.00
MSCI EAFE (Net) Index	5.00
Bloomberg Barclays Intermed Aggregate Index	50.00
Oct-2012	
Russell 3000 Index	50.00
MSCI EAFE (Net) Index	5.00
Bloomberg Barclays Intermed Aggregate Index	45.00
Oct-2013	
Russell 1000 Value Index	18.50
Russell 1000 Growth Index	18.50
Russell Midcap Value Index	15.00
MSCI AC World ex USA (Net)	12.00
Bloomberg Barclays Intermed Aggregate Index	36.00
Sep-2016	
Russell 1000 Value Index	17.00
Russell 1000 Growth Index	17.00
Russell Midcap Value Index	15.00
MSCI AC World ex USA (Net)	11.00
NCREIF Fund Index-ODCE (EW) (Net)	5.00
Bloomberg Barclays Intermed Aggregate Index	35.00
Mar-2018	
Russell 1000 Value Index	15.50
Russell 1000 Growth Index	15.50
Russell Midcap Value Index	13.00
MSCI AC World ex USA (Net)	16.00
NCREIF Fund Index-ODCE (EW) (Net)	5.00
Bloomberg Barclays Intermed Aggregate Index	35.00

Active Return - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.

Alpha - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.

Distributed to Paid In (DPI) - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.

Down Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance

Downside Risk - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.

Excess Return - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Public Market Equivalent (PME) - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Total Value to Paid In (TVPI) - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.

Up Market Capture - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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Investment Policy Statement
Village of Winnetka Firefighters' Pension Fund

Approved ~~February 28, 2018~~February 13, 2019

TABLE OF CONTENTS

I. Introduction

The Village of Winnetka Firefighters' Pension Fund is a defined benefit, single employer pension plan. Although a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels are mandated by Illinois State Statutes and may be amended only by the Illinois State Legislature. The Plan provides retirement, death, and disability benefits for its participants.

II. Statement of Purpose

Mission statement The fundamental goal of the Village of Winnetka Firefighters' Pension Fund is to provide pension benefits to plan participants. As such, the Board of Trustees will invest plan assets solely in the interests of plan participants and beneficiaries, for the exclusive purpose of providing pension benefits to plan participants and beneficiaries.

Investment philosophy The Board of Trustees believes that plan assets should be managed in a fashion that reflects the plan's unique liabilities and funding resources, incorporating accepted investment theory and reliable, empirical evidence. Specifically, the Board has adopted the following principles:

- That asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
- That diversification, both by and within asset classes, is a primary risk control element.
- That the investment program is ultimately for the purpose of meeting the pension plan's obligations for benefit payments.
- That the investment program must be cognizant of the total pension plan's cash flow obligations.

Goals and objectives For total plan assets, the goals and objectives are as follows:

- The foremost purpose of the Fund is to provide for the payment of pension benefits to current eligible beneficiaries and future beneficiaries over an infinite period of time.
- Over the long-term, the assets of the plan and their purchasing power should be preserved thus the preservation of capital is a primary objective.
- To preserve and/or improve the actuarial soundness of the plan in order to meet benefit obligations.
- To prudently manage the inherent investment risks that are related to the achievement of investment goals.
- Overall level of risk (volatility) in the total plan is comparable to the risk associated with the benchmarks specified below. Risk may be measured by the annualized standard deviation of returns.
- A long-term (one to two market cycles) rate of return, net of fees, of at least the actuarial earnings rate.
- A long-term (one to two market cycles) rate of return, net of fees, in excess of its policy benchmark and/or appropriate peer groups. The policy benchmark is a hypothetical portfolio of index funds weighted by asset allocation targets.

Policy Benchmark		
Asset Class	**Index**	**Weight**
US Equity – large cap value	Russell 1000 Value	15.5%
US Equity – large cap growth	Russell 1000 Growth	15.5%
US Equity – mid cap value	Russell Mid Cap Value	13%
Non-US Equity	MSCI AC World ex USA	16%
Real Estate Equity	NCREIF ODCE	5%
US Fixed Income	Barclays Intermediate Aggregate	35%
		100%

III. Roles and Responsibilities

Board of Trustees Within the parameters established under Illinois Statutes, the Board has the responsibility of establishing and maintaining broad policies and objectives for all aspects of the Fund's operation. In keeping with their obligation to serve as governing fiduciaries, changes to any of the following will require the Board's involvement and approval.

- The investment policy statement and appendices;
- The strategic asset allocation;
- Performance benchmarks for the strategic asset allocation; and
- All other issues of the investment policy statement not specifically enumerated here.

Investment Consultant

1. Assists the Board of Trustees in developing investment policy guidelines, including asset class choices, asset allocation targets, and risk diversification.

2. Conducts investment manager searches when requested by the Board of Trustees.

3. Provides the Board of Trustees with objective information on a broad spectrum of investment decisions, and assists in evaluating the merits of each particular investment product or investment manager, as to their track records, management styles, and quality.

4. Monitors the performance of the aggregate plan and the investment managers and provides regular quarterly reports to the Board of Trustees, which aids them in determining the progress toward the investment objectives.

5. Serves as a fiduciary to the Pension Fund.

6. Monitors investment managers to ensure compliance with the Illinois Pension Code.

Investment Managers

- Duties – Investment managers will select, buy, and sell specific securities pursuant Illinois Statutes or prospectus, and the investment policy and guidelines contained in contractual agreements, which may be amended from time to time. Discretion is delegated to the investment managers to carry out investment actions as directed by the Fund.
- Standard of care – The standard of prudence applied to investment managers shall be the prudent expert standard and shall be applied in the context of managing an overall portfolio.
- Acknowledgement of fiduciary obligations – Separately managed investment managers will acknowledge in writing that they are a fiduciary of the pension plan.

- Disclosure of fees – Separately managed investment managers must fully disclose on a quarterly basis any direct or indirect fees, commissions, and any other compensation that was received by them, including reimbursement for expenses paid by or on behalf of the investment manager in connection with its services to the Fund and must update any changes to those fees promptly after modification of those payments.
- Communication – Separately managed investment managers will provide the Board with reporting on, at least a quarterly basis, the market value of all holdings as well as the gross of fees and net of fees rates of return. Net of fees rates of return are to be calculated after the payment of investment fees, and any other compensation. Investment managers must also promptly communicate any major changes in policy, in the investment organization or investment team.
- Conflicts of interest – Investment managers are prohibited from knowingly causing or advising the Fund to engage in any investment transaction in which they have any direct interest in the income, gains or profits of the broker or other entity through which the investment transaction is made or has a business relationship with the broker or other entity that would result in a pecuniary benefit to the investment manager as a result of the transaction.

Other external providers The Fund shall retain custodians, actuaries, accounting professionals, investment consultants, depository/financial institutions, and attorneys to implement its investment program.

- The custodian(s) will hold cash and securities. The custodian will be responsible for providing a records maintenance system, fund accounting on a trade date basis, and other services as defined in the contract.
- A depository/financial institution(s) may be utilized to accept and hold cash prior to allocating it to the investment managers, and to invest such cash in liquid, interest-bearing instruments.
- The Fund will retain an actuary to prepare actuarial valuations and periodically analyze the actuarial assumptions and experience of the plan.
- The Fund will retain accounting professionals and ensure an independent audit of the financials is performed and review internal controls.
- The Fund may retain an investment consultant to independently prepare performance reports on the total plan and each investment manager, as well as conduct investment manager and custodial searches, prepare investment policy/asset allocation analysis, and assist in associated investment related issues.
- Standard of care – The standard of prudence applied to other external providers shall be the prudent expert standard.
- Acknowledgement of fiduciary obligations – The external providers will acknowledge in writing that they are fiduciaries of the pension plan.
- Fiduciaries are prohibited from knowingly causing or advising the Fund to engage in any investment transaction in which they have any direct interest in the income, gains or profits of the investment manager or other entity through which the investment transaction is made or has a business relationship with the investment manager or other entity that would result in a pecuniary benefit to the fiduciary as a result of the transaction.

IV. Asset Allocation

The purpose of Section IV is to manage risk associated with investment in an asset class (i.e., systematic risk). Risk associated with an investment in an individual security (non-systematic risk) is addressed in Section V.

Role and importance of asset allocation The asset allocation decision is generally regarded as the most important decision to be made in the investment management process. The purpose of a strategic asset allocation is to provide an optimal mix of investments that has the potential to produce the desired returns with the least amount of fluctuation in the overall value of the investment portfolio. By spreading funds among several styles or investment types, there is an increased probability that if one investment type is decreasing in value, another is increasing in value.

Asset allocation range To further the long-term goals and objectives of the Fund set forth in Section II, the following asset allocation guidelines are established.

Asset Allocation Range			
Asset Class	**Minimum* %**	**Target %**	**Maximum* %**
Total Equity	**45**	**65**	**65**
Total US Equity	40	44	55
US Equity – large cap	25	31	50
US Equity – mid cap	8	13	20
Total Non-US Equity	6	16	20
Non-US Equity	6	16	20
Total Real Estate Equity	0	5	10
Real Estate Equity	0	5	10
Total Fixed Income and Cash	**35**	**35**	**55**
US Fixed Income	30	35	50
Cash and Cash equivalents	0	0	10

*Minimum and Maximum may not add up to 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.

The Fund will carry out rebalancing in a cost-effective manner. If feasible, cash flow, as well as indexed and mutual fund investment strategies, will be used to maintain target allocations. Securities may be liquidated from the over-funded investment managers until the desired allocations are met.

The Board and investment consultant will review the portfolio at least twice a year to determine if rebalancing is required.

V. Investment Guidelines

The purpose of Section V is to limit the risk associated with an investment in an individual security (e.g., non-systematic risk). The selection of investments will be guided by the prudent person and prudent expert standards.

Prohibited investments As a unit of local government in the State of Illinois, the Village of Winnetka Firefighters' Pension Fund is regulated by 40 ILCS 5/1-113.1 through 5/1-113.10. For separately managed investment managers prohibited investments include, but are not limited to:

- investments precluded by law or regulation
- securities purchased on margin
- short selling
- derivatives

Under no circumstances will separately managed investment managers use any instruments to create financial leverage within a portfolio, except for mortgages in real estate portfolios.

Permissible investments For separately managed investment managers permissible investments include those investments permitted by Illinois Statutes and this policy. As a unit of local government in the State of Illinois, the Village of Winnetka Firefighters' Pension Fund is regulated by 40 ILCS 5/1-113.1 through 5/1-113.10.

Diversification and credit quality To limit the Fund's risk associated with holding individual securities (e.g., non-systematic risk), asset class diversification requirements and other risk management requirements are set forth. The pension plan will comply with Illinois Statute requirements that the market value of stock in any one corporation does not exceed 5% of the total assets of the pension plan, and the investments in the stock of any one corporation do not exceed 5% of the total outstanding stock of that corporation.

- Diversification relative to a single issuer – Any separately managed investment manager operating within any asset class should not hold more than 5% of the outstanding securities of any single issuer (for publicly traded securities), except for U.S. Treasury notes, bills or bonds.
- Diversification relative to plan assets – No more than 5% of Fund assets shall be invested in the securities of a single issuer, except for U.S. Treasury notes, bills or bonds. This will be measured on a market value basis.
- 5% of Fund assets in any one publicly traded U.S. stock.
- 5% of Fund assets in any one domestic bond (except U.S. Treasury notes, bills or bonds).
- 5% of Fund assets in any one cash equivalent security – (except money market/STIF funds and Illinois Funds).

- Credit risk – The fixed income assets will maintain an "A-" or better weighted average quality rating. Minimum quality rating for any fixed income issue is an investment grade rating as determined by at least one nationally recognized credit rating agency. In the event that a credit is downgraded below investment grade, the investment manager shall immediately notify Trustees and provide an evaluation and recommended course of action, but in no event shall the bond be held beyond 90 days from date of downgrade.
- Fixed Income Sector Risk – The maximum commitment to U.S. corporate bonds in a separately managed bond portfolio is 50%. No non-U.S. bonds shall be purchased and any acquired as a result of mergers, re-organization, etc. shall be sold within 90 days unless it is imprudent to do so.

VI. Reporting / Performance Monitoring

The purpose of monitoring and reporting on investment performance is for the Board to be able to (a) ensure compliance with plan's policy and applicable law, (b) manage the risk of the portfolio, and (c) assess the performance of the total plan and investment managers retained by the Fund.

Quarterly reporting by investment manager On a quarterly basis, the Board of Trustees shall receive the following information:

- An outline of current strategy and investments;
- Investment managers' performance relative to the assigned benchmark index; and
- Separately managed investment managers' performance reported gross of fee and net of fee.

Quarterly reporting by the investment consultant On a quarterly basis the Board of Trustees shall receive the following information:

- Portfolio performance relative to the assigned benchmark/index and peer group; and
- Portfolio composition relative to the asset allocation policy.

Reports should contain the following:

- A review of performance relative to assigned benchmarks and peer groups for the most recent quarter end, for one-, three-, and five-year periods ending with the most recent quarter, and for the most recent period if not a quarter end. Performance relative to assigned benchmarks will be reported for the total portfolio, for each asset class, and for each investment manager.
- Both gross of fee and net of fee performance calculations shall be presented for separately managed investment managers.

Communications Listed below are the reports required and the appropriate individuals who will receive copies of these reports:

A. Custodial Monthly Statements	Village Finance Director and Investment Consultant
B. Consultant Quarterly Performance Reports	All Trustees
C. Investment Manager Quarterly Reports	Village Finance Director and Investment Consultant
D. Determination of Benefits	Village Finance Director and all Trustees

The Board, at minimum, expects to meet with the investment consultant quarterly.

It is the Board's responsibility to relate to the investment consultant and investment managers any changes that might affect the investment of the Fund's assets.

Appendix A
Ethics and Conflicts of Interest

Trustees and staff involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Trustees and staff shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Trustees and staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Fund.

In addition, the Board of Trustees or staff managing the investment manager contract should comply with the following ethical considerations:

- Adherence to all jurisdiction’s and pension board’s ethics laws, rules, and regulations related to procurement and involvement with contractors, including those related to political contributions; and
- Disclosure to Board of Trustees of any inherent or potential conflicts of interest in dealing with specific investment advisers prior to taking any official action.

Appendix B

Village of Winnetka
Internal Control Procedures
Promulgated by the Finance Director as of February 201~~8~~9

Authorized Persons:

Persons authorized to purchase investments and release collateral:

Finance Director
Assistant Finance Director
Village Manager

Investment Transactions and Security Measures:

All investment transactions shall be processed, as delivery versus payment or DVP, to ensure that the Village ownership of securities purchased or sold is always clear. All Village investments shall be:

1) Held by a third party financial institution and evidenced by a safekeeping agreement in a form acceptable to the Village and the Village's independent auditors.

2) Purchased, sold, and held such that the lowest possible level of risk, as defined by the Governmental Accounting Standards Board (GASB), can be maintained for the investment.

The Village shall utilize security codes mutually agreed to by the Village and financial institutions to process investment transactions, collateral transactions, and wire transfers. At a minimum, these procedures shall include at least one of the following: passwords, taped phone conversations, call back on non-repetitive wire transfers, limiting authorized account numbers, and designation of repetitive transaction types.

Internal Controls:

The internal controls as stated in the policy will be performed monthly.

The Village Accountant or Assistant Finance Director shall prepare and initial monthly bank reconciliations within 60 days of the cut off statement date. The Finance Director shall approve of the monthly reconciliations by initialing and dating them.

The Village's investment consultant, who serves as a fiduciary of the Fund, shall prepare quarterly reports of the investment portfolio. The December investment performance reports shall be retained by the Pension Fund for a period of at least 5 years.

List of Authorized Investment Advisors, Investment Money Managers, and Financial Institutions

As of February 201~~8~~9

1) Harris Bank
2) Any Federal Reserve Bank
3) Wells Fargo Bank
4) T. Rowe Price Associates
5) Wintrust Financial Corporation
6) AndCo Consulting
7) J.P. Morgan Chase
8) Seizert Capital Partners, LLC
9) ClearBridge Investments
10) American Funds
11) CS McKee Investment Managers
12) ~~Great Lakes Advisors~~Garcia Hamilton Associates
13) Principal Real Estate Investors

Approved this _____day of ___________________, 201~~8~~9 by the

Village of Winnetka Firefighters' Pension Board of Trustees

President ______________________________ **Vice President** ______________________________

Secretary ______________________________ **Assistant Secretary** ______________________________

Trustee ______________________________ **Trustee** ______________________________

WINNETKA FIRE				
Affidavits of Eligibility		2018	Date Due:	7/31/2018
Name	PR FOLDER / MAILED	Date mailed	Date emailed	✓ received
Adams, Steve				7/3/2018
Bernhauser, Patricia				7/10/2018
Carney, Nancy				12/11/2018
Childs, Mary				7/2/2018
Colpaert, Ron				7/5/2018
Conversa, Dan				7/30/2018
Dietz, Arthur				7/11/2018
Dini, Janet				7/9/2018
Fragassi, James				7/2/2018
Gaughan, John				11/27/2018
Gherardini, Raymond				7/12/2018
Hassenauer, Steve				7/31/2018
Hughes, Mike				6/29/2018
Jackson, Debra				N/A
Laureys, Steve				7/11/2018
Lindemann, Gary				12/3/2018
McCoy, Deirdre				7/6/2018
Minogue, Jim				8/2/2018
Nelson, John				7/6/2018
Ottlinger, James				7/5/2018
Pearson, Steve				8/10/2018
Raupp, Mark				7/5/2018
Roeder, Mike				6/28/2018
Smith, Scott				7/16/2018
Schneider, Christine				7/3/2018
Schwendau,Vada				7/11/2018
Steffens, Mary Lou				N/A
Solberg, Dale				7/11/2018
Trausch, Tom				7/10/2018
Wellington, Thomas				8/27/2018
Woodruff, Leroy				

IRS

IRS issues standard mileage rates for 2019

IR-2018-251, December 14, 2018

WASHINGTON — The Internal Revenue Service today issued the 2019 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2019, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 58 cents per mile driven for business use, up 3.5 cents from the rate for 2018,
- 20 cents per mile driven for medical or moving purposes, up 2 cents from the rate for 2018, and
- 14 cents per mile driven in service of charitable organizations.

The business mileage rate increased 3.5 cents for business travel driven and 2 cents for medical and certain moving expense from the rates for 2018. The charitable rate is set by statute and remains unchanged.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details see Notice-2019-02.

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously. These and other limitations are described in section 4.05 of Rev. Proc. 2010-51.

Notice 2019-02, posted today on IRS.gov, contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

Page Last Reviewed or Updated: 14-Dec-2018

Ottosen Britz Pension Practice
Quarterly Insights for Fire Pension Trustees (First Quarter 2019)

Re-entry into Active Service, Re-employment and "Double Dipping"

Introduction

Lately, pension "double dipping" has become a hot button issue. For police pension funds, this practice has been curtailed for future police officers by recent legislation. Although firefighters remain unaffected for now, fiduciaries for firefighter pension funds should be aware of the latest movements concerning re-entry into active service and re-employment, and the impact on pension fund participation.

Background

"Double dipping" has traditionally been defined to occur when a firefighter begins drawing a retirement benefit from an Article 4 pension fund and subsequently takes employment as a "civilian" employee with the same municipality, drawing both retirement benefits and receiving salary from the same employer. More recently, however, the term has also been applied to firefighters who begin drawing an Article 4 retirement benefit and subsequently take employment as a firefighter (typically, as chief officers) in a second, separate municipality. Although generally acceptable from a legal sense, this practice has drawn the ire of the public, the press[1] and legislators.

Re-employment in the public sector is not unique to firefighters. Previously, police chiefs were eligible to join their local Article 3 police pension fund or enter the Sheriff's Law Enforcement Program ("SLEP") program with Illinois Municipal Retirement Fund ("IMRF"). This created a loophole where police officers could retire and receive pension benefits while subsequently being rehired as a chief officer or administrator, where he or she would earn credit toward an IMRF pension. In response, the General Assembly enacted Public Act 100-281 on August 24, 2017, which *prospectively* inhibits double dipping activity for police officers who first become a member of an Article 3 fund after January 1, 2019.

To date, there has been no successful legislation that similarly constrains pension double dipping or re-employment for firefighters. The only restriction on firefighters is that they must avoid re-entering active service with the *same* municipality, which may be creatively circumvented (as evidenced by the *Cronholm* decision discussed below).

Cronholm Decision: Re-entry into Active Service

In 2016, re-employment with the same municipality while maintaining retirement benefits was all but blessed by the Illinois Appellate Court in *Cronholm v. Board of Trustees of the Lockport Fire Protection District Firefighters' Pension Fund*, 2016 IL App (3d) 150122. There, a fire chief retired from active service, began drawing an Article 4 retirement pension, and took a newly created "chief administrator" position with the same fire protection district. The Illinois Appellate Court found that this arrangement did not constitute improper re-entry into active service because the "chief administrator" position did not entail actually fighting fires; in other words, the chief administrator was no longer a "firefighter" as defined by Article 4. Justice Schmidt wrote a dissent to that opinion, however, warning that this arrangement violated the spirit of the Illinois Pension Code. Nevertheless, Illinois courts have not otherwise intervened to curtail pension double dipping.

Potential Legislation

Given the heated rhetoric concerning pension double dipping or re-employment, it is likely that the next legislative session will feature bills aimed at curbing these practices. State Representative Grant Wehrli has committed to introducing a bill extending Public Act 100-281's prohibitions on double dipping to firefighters' pension funds.[2]

Implications

Although pension double dipping is a matter of great public debate, there is nothing prohibiting it for firefighters' pensions—yet. However, as discussed above, the tide may be turning. As this issue evolves, we will ensure you are apprised of any movements.

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[1] *See, e.g.,* How Suburban Fire Chiefs Collect Both Pensions and Paychecks, Daily Herald, *available at https://www.dailyherald.com/news/20181212/how-suburban-fire-chiefs-collect-both-pensions-and-paychecks?fbclid=IwAR0xVlqMTK8bHydVk9SEcxCcwOG9qbhpCAhJ9k3BWGH580NaofKtMNPjQ50*
[2] *Id.*

Certified Trustee Training

Organization: **Winnetka Firefighters' Pension Fund** Year: **August 2018- August 2019**

John Ripka

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPPFA MidAmerican Conference	16	10/5/2018	YES
2					
3					
4					
5					
6					

Andrew MacArthur

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPPFA MidAmerican Conference	16	10/5/2018	YES
2					
3					
4					
5					
6					

Mark Fuller

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	Investment Management/Letter	16	8/31/2018	YES
2					
3					
4					
5					
6					

John Sobel

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	Investment Management Training	16	11/15/2018	YES
2					
3					
4					
5					
6					

Steve Pearson

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	32	2018 OMA Training		8/8/2018	YES
2					
3					
4					
5					
6					

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

2019 IPPFA Trustee Training Opportunities

REGIONAL SEMINARS

WHEN: Wednesday, February 27, 2019

WHERE: **NIU Outreach Campus – Hoffman Estates**
555 Trillium Blvd, Room 104
Hoffman Estates, IL 60192
630-784-0406

TIME: *8:00 am – 4:00 pm

COST: IPPFA MEMBER: $185.00/seminar
IPPFA NON-MEMBER: $370.00/seminar

**Registration and Continental Breakfast begins at 7:00 a.m.*

WHEN: Wednesday, March 27, 2019

WHERE: **Jumer's Hotel & Casino**
777 Jumer Drive
Rock Island, IL 61201
309-756-4600

TIME: *8:00 am – 4:00 pm

COST: IPPFA MEMBER: $185.00/seminar
IPPFA NON-MEMBER: $370.00/seminar

**Registration and Continental Breakfast begins at 7:00 a.m.*

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4 DAY SEMINARS

ILLINOIS PENSION CONFERENCE

WHEN: Tuesday, April 30, 2019 – Friday, May 3, 2019

WHERE: **Embassy Suites by Hilton**
100 Conference Center Drive
East Peoria, IL 61611

ACCOMODATIONS: **Onsite – Embassy Suites by Hilton, East Peoria**
IPPFA Rate: $152.00/night
Off Site – Holiday Inn & Suites, East Peoria

MIDAMERICAN PENSION CONFERENCE

WHEN: Tuesday, October 1, 2019 – Friday, October 4, 2019

WHERE: **Grand Geneva Resort**
7036 Grand Geneva Way
Lake Geneva, WI 53147

ACCOMODATIONS: **Onsite – Grand Geneva Resort, Lake Geneva**
IPPFA Rate: $138.00/night
Off Site – Holiday Inn Club Vacations at Lake Geneva Resort
Group Name: IPPFA
Group Code: IPP

IPPFA ONLINE SEMINAR COURSES

WHEN: Ongoing

- Online 8 hr seminar (Recorded Spring, 2018)

WHERE: IPPFA Website:
www.ippfa.org/education/online-classes/

COST: IPPFA MEMBER: $250.00/seminar
IPPFA NON-MEMBER: $450.00/seminar

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

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WHEN: Ongoing

- Online 8 hr seminar (Recorded Spring, 2016)

WHERE: IPPFA Website:
www.ippfa.org/education/online-classes/

COST: IPPFA MEMBER: $250.00/seminar
IPPFA NON-MEMBER: $450.00/seminar

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

2019 Illinois Pension Conference – April 30, 2019 – May 3, 2019

Embassy Suites by Hilton - 100 Conference Center Drive, East Peoria, Illinois, 61611, USA

For over 30 years 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 challenges yet to come, the IPPFA strives to prepare pension trustees for the future. Please join us for Training in Ethics, Investment Procedures, Fiduciary Responsibilities, Legal and Legislative Updates, and much, much more and all with nationally renowned speakers.

- The 2019 IPPFA Illinois Pension Conference will again be held at the Embassy Suites by Hilton in East Peoria, Illinois.
- The dates for the 2019 IPPFA Illinois Pension Conference is April 30, 2019 thru May 3, 2019.
- 2019 Prospectus for Exhibitors
- 2019 Illinois Call for Presentations
- 2019 Illinois Conference Sponsorship Form

Accommodations: The IPPFA rate is $152.00 per night, Embassy Suites by Hilton East Peoria, Illinois hotel guests get more with every stay, like free made-to-order breakfast, complimentary appetizers and beverages at the nightly Evening Reception and every room is a two-room suite with free parking.

Overflowing Accommodation: Holiday Inn & Suites East Peoria

Golf Details: IPPFA Illinois Pension Conference Golf Outing will be held at the Weaver Ridge Golf Club in Peoria, Illinois.

2019 IPFA SPRING PENSION SEMINAR
Friday May 3, 2019 Black Shift

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

SEMINAR REGISTRATION FORM

(please print or type)

Municipality, District, or Firm: ______________________________ Address: ______________________________

City: ______________________________ , IL Zip: __________ Phone: ______________________________

SEMINAR FEES: IPFA Members: $ 145.00 Non - Members: $ 185.00 Walk-In Registration: $ 195.00

Avoid the walk-in surcharge – register on or before Monday, October 29, 2018

First Name:	Last Name:	e-mail Address:	Member	Non-Member
			$____.__	$____.__
			$____.__	$____.__
			$____.__	$____.__
			$____.__	$____.__
			$____.__	$____.__

TOTAL CHECK ENCLOSED $_______.____

Payment must accompany this Registration Form and be received in our office **on or before** Monday, April 29th to qualify for lower rates. Reservations received after the above date will be charged walk-in registration fee. Requests for refunds also must be received on or before Monday, April 29th for full fee refunds. **No refunds** of seminar fees after this date. Please mail the completed form to IPFA, 188 Industrial Drive, Suite 134, Elmhurst, IL 60126-1608, fax it to 630-833-2412, or scan & e-mail to *ipfa@aol.com*. Any questions, call 630-833-2405. For Tax Reporting Purposes our Federal I.D. Number is: 36-2650496.

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

For IPFA Office Use: Date: __________ *Check #:* __________ *Amount:* __________ *Payer:* ______________________________

32-hour Certified Trustee Programs* offered through IPPFA

The below 32-hour programs are scheduled 4 days in a row:

Dates: Monday, March 4 – Thursday, March 7, 2019

Time: 8:00 am – 4:00 pm (CST)

Where: **NIU Campus – Naperville**
1120 E. Diehl Road – Room 260
Naperville, IL 60563
630-577-9101

Cost: IPPFA Member: $800.00
IPPFA Non-Member: $1700.00

Dates: Monday, April 29 – Thursday, May 2, 2019

Time: 8:00 am – 4:00 pm (CST)

Where: **Embassy Suites East Peoria Hotel Conference Center** (at Illinois Pension Conference)
100 Conference Center Drive
East Peoria, IL 61611
309-694-0200

Cost: IPPFA Member: $800.00
IPPFA Non-Member: $1700.00

Dates: Monday, October 21 – Thursday, October 24, 2019

Time: 8:00 am – 4:00 pm (CST)

Where: **NIU Outreach Center – Hoffman Estates**
5555 Trillium Blvd. – Room 104
Hoffman Estates, IL 60192
630-784-0406

Cost: IPPFA Member: $800.00
IPPFA Non-Member: $1700.00

Module Certified Trustee Program(s)
The below 32-hour program is broken down into ***four*** 6-8 hour modules.

Dates: Thursday(s)
August 29, 2019 – Hoffman Estates
*September 19, 2019 – Naperville
October 17, 2019 – Hoffman Estates
*November 14, 2019 – Naperville

Time: 8:00 am – 4:00 pm

*This module series alternates between the Hoffman Estates location and the Naperville location

Where: NIU Campus, Hoffman Estates
5555 Trillium Blvd.
Hoffman Estates, IL

AND

*NIU Campus, Naperville
1120 E. Diehl Road, Room 260
Naperville, IL

Cost: IPPFA Member: $800.00
IPPFA Non-Member: $1700.00

Module Certified Trustee Program(s)
The below 32-hour program is broken down into ***four*** 6-8 hour modules.

Dates: Tuesday(s)
August 27, 2019
September 24, 2019
October 22, 2019
November 12, 2019

Time: 8:00 am – 4:00 pm

Where: Lewis and Clark Community College
600 Troy Rd.
Edwardsville, IL 62025
618-656-8800

Cost: IPPFA Member: $800.00
IPPFA Non-Member: $1700.00

Cost includes all instructions, a notebook, all textbooks and related handout materials. A $25 reassignment fee will be assessed for each missed module. The Illinois Department of Financial & Professional Regulation, Division of Insurance has approved this fee as a “necessary pension fund expense” under the Illinois Pension Code. This course must be taken in its entirety and is not available in individual modules.

IPPFA Online Certified Trustee Programs

Registration is online at the IPPFA website www.ippfa.org/education/trustee-program/

Cost: IPPFA Member: $850.00
IPPFA Non-Member: $1550.00

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*All Article 3 & 4 Pension Trustees elected or appointed AFTER August 13, 2009 are required to attend a 32-hour trustee certification course within 18 months of election or appointment to the board.

PROPOSED NEW - FIDUCIARY LIBILITY (FIRE PENSION)

Insurance Company: Chubb
Policy Period: 1/1/2019 to 1/1/2020

Named Insureds: Village of Winnetka

Coverage and Limits:

Coverage	Limit	Deductible
Fiduciary Liability - Each Claim - Aggregate	 $2,000,000 $2,000,000	 $0 $0

Coverage and Limits:

- Important notice to policyholder
- Amend definition of claim to endorsement include non-monetary demands
- EPCRS sanctions endorsement ($250K)
- Amend representations and severability endorsement
- Trustee endorsement non-fiduciary defense costs (25% of $2M)
- Amend definition of claims endorsement
- PPA civil money penalties endorsement ($25,000)
- Public entity fiduciary liability endorsement without government defense option
- Important policyholder notice
- Illinois amendatory endorsement
- Guaranteed Renewal Endorsement
- Section 203 of the Bipartisan Budget Act coverage endorsement ($250,000)
- Umbrella sublimit endorsement
- Other fines taxes or penalties coverage endorsement ($250,000)
- Benefit overpayment coverage endorsement (100K)
- Illinois amendatory endorsement
- Cap on Losses from Certified Acts of Terrorism
- Notice of Loss Control Services
- Punitive damages endorsement
- CAP endorsement
- HIPAA extension endorsement
- Spousal extension endorsement
- Compliance with applicable trade sanction laws

PREMIUM $7,475

OTTOSEN BRITZ KELLY COOPER GILBERT & DiNOLFO, LTD.

1804 North Naper Boulevard, Suite 350, Naperville, Illinois 60563
Phone 630.682.0085 Fax 630.682.0788 www.ottosenbritz.com

February 13, 2019

Board of Trustees
Winnetka Firefighters' Pension Fund
510 Green Bay Road
Winnetka, IL 60093

RE: Engagement Letter for Legal Services

The Law Firm of OTTOSEN BRITZ KELLY COOPER GILBERT & DINOLFO, LTD. is pleased to confirm our understanding of the terms and objectives of our engagement, and the nature and the limitations of the legal services the Firm's attorneys will provide, for the BOARD OF TRUSTEES OF THE WINNETKA FIREFIGHTERS' PENSION FUND.

CLIENT: The client for purposes of this Agreement will be the BOARD OF TRUSTEES OF THE WINNETKA FIREFIGHTERS' PENSION FUND ("the Client.")

SCOPE: The Client does hereby retain the law firm of Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd. (the "Firm"), comprised of attorneys licensed to practice law in the State of Illinois, to serve as the legal counsel for the Client. While serving as legal counsel, the Firm shall represent the Client in all legal matters and shall be responsible to attend to various miscellaneous legal needs of the Client, including, but not limited to, communications with the Client and its staff, attending meetings, preparing or reviewing documents, conducting legal research, handling hearings, and representing the Client in matters before administrative agencies and courts of law. The Client may agree to expand or limit the scope of the Firm's representation of the Client in other legal matters from time to time; however, any expansion or limitation must be confirmed in writing by the Client to the Firm.

DUTIES OF THE PARTIES: The Firm agrees to provide legal services within the standard of care of attorneys practicing law within the State of Illinois. The Client agrees to be truthful with the Firm, to cooperate, to keep the Firm informed of developments affecting the representation of the Client, to abide by the terms of this Agreement, to pay the Firm's bills on time, and to keep the Firm advised of any change to its address and other contact information.

TERM: This Agreement shall be in effect until DECEMBER 31, 2019. Either the Client, or the Firm may terminate the Firm's engagement at any time for any reason with ten (10) days notice to the other; however, the Firm's right to terminate may be limited by the applicable provisions of the Illinois Rules of Professional Responsibility. In the event the Firm terminates this Agreement, the Firm will take such steps as may be reasonably practicable to protect the Client's interests. If a court or administrative agency requires permission for withdrawal, the Firm will promptly apply for that permission, and the Client will engage successor counsel to represent the Client.

Elburn 630.365.6441 ■ Mokena 708.478.4600 ■ Woodstock 815.338.8011

PERSONNEL: **Carolyn Welch Clifford** will be the principal attorney responsible for handling the legal services for the Client. The Firm shall have reasonable discretion to delegate portions of the legal work and responsibilities to other attorneys and/or staff employed by the Firm. In addition, if in the opinion of the Firm, it is necessary for the timely or proper handling of a matter, the Firm may on behalf of the Client, with the Client's consent, retain court reporters, expert witnesses or advisors.

FEES: The legal fees associated with the work under this Agreement will be based on the time spent on matters, including reasonable travel time. The Firm's hourly billing rates for attorneys providing the legal services provided hereunder shall be **$225 per hour**. The Firm's hourly billing rates for non-attorneys providing legal services hereunder shall be **$150 per hour** for administrative staff and paralegals and **$160 per hour** for law clerks. The Firm may adjust these billing rates from time to time, typically on a biannual basis. The Firm will notify the Client of any such required adjustment, and Client will be responsible for paying the rates in effect following any such notice.

The minimum billing increment of time to be billed by the attorney performing services shall be one-tenth of any hour. Communications by telephone or by e-mail shall be billed at no less than three-tenths of an hour; written correspondence shall be billed at no less than five-tenths of an hour. Any fees for specific legal services that are to be provided to the Client under a flat fee or retainer arrangement shall be attached to this Agreement in **Appendix A**.

COSTS AND EXPENSES: In the course of providing legal services for the Client, the Firm may incur costs and expenses. The Client agrees to pay for all costs, disbursements and expenses in addition to the hourly fees set forth in this Agreement. Such costs and expenses may include, but are not limited to, fees fixed by law or assessed by third parties, such as public agencies (including fees imposed by the courts or administrative agencies for such items as recording or certifying documents, and filing fees); process servers; couriers, messengers, overnight delivery, and other delivery fees; witnesses and expert witnesses; IME physicians and related medical testing; court reporters; postage; document fees; and photocopying and other reproduction costs. These expenses may also include, but are not limited to, charges for electronic legal research, transcripts, and investigations. The Firm shall bill the Client for such costs as they are accrued, or forward the invoices for such services to the Client for direct payment to a third party.

BILLING: The Firm shall submit billings on a monthly basis. All billings shall be due and payable in accordance with the Local Government Prompt Payment Act (50 ILCS 505/1 *et seq.*).

CONFLICTS: Whenever the Firm shall report to the Client that it has a conflict of interest with respect to any matter, the Client shall either appoint a special counsel to represent the Client at its expense in connection with such matter, or waive the conflict and direct the Firm to represent the Client notwithstanding the conflict. Any waiver of a conflict, or possibility of conflict, or appearance of conflict shall be made by and with the approval of the Board. However, it shall not constitute a breach of this Agreement for the Firm to decline to represent the Client on any matter which the Firm has a conflict of interest which cannot be waived under the applicable standards of legal ethics, the Code of Professional Responsibility adopted by the Illinois Supreme

Court, or rules of any court in which the matter may be pending, and which the Firm cannot eliminate or avoid at such time.

INFORMATION PROTECTION: The Firm acknowledges that, pursuant to Section 45(b) of the Illinois Personal Information Protection Act (815 ILCS 530/45(b)), it is obligated to implement and maintain reasonable security measures to protect personal information from unauthorized access, acquisition, destruction, use, modification, or disclosure.

ACKNOWLEDGEMENT: This Agreement sets out the entire agreement and understanding between the Client and the Firm with respect to the representation and supersedes and cancels any prior communications, understandings and agreements, both written and verbal, between the parties with respect to this Agreement.

Please indicate your acceptance of the above understanding and terms of this Agreement by signing below. The Firm appreciates the opportunity to provide legal services to the WINNETKA FIREFIGHTERS' PENSION FUND and looks forward to working with you.

Very truly yours,

OTTOSEN BRITZ KELLY COOPER GILBERT & DiNOLFO, LTD.

____
One of its Shareholders

TERMS OF ENGAGEMENT LETTER APPROVED: This Legal Services Engagement Letter correctly sets forth the understanding of the BOARD OF TRUSTEES OF THE WINNETKA FIREFIGHTERS' PENSION FUND.

Date: ______________________

By: ______________________

Print: ______________________

Title: ______________________

1804 North Naper Boulevard, Suite 350, Naperville, Illinois 60563
Phone 630.682.0085 Fax 630.682.0788 www.ottosenbritz.com

Carolyn Welch Clifford
Attorney at Law

Direct Line 630.614.7619
cclifford@ottosenbritz.com

Via Email

February 6, 2019

Winnetka Firefighters' Pension Fund
510 Green Bay Road
Winnetka, IL 60093

Re: Engagement Letters and New Year Items

Happy New Year and thank you for your continued faith in Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd. to provide legal services to your board. We are grateful for your business and value the relationship we continue to build with you.

Enclosed are several items for the new year:

- **Engagement Letter for 2019** – The firm's hourly rates will remain the same as they have been for the past two years, and if you have a retainer with the firm, the new proposed monthly rate is attached to the letter. Note that boards will have an option this year to pre-pay the retainer for the calendar year or continue to pay it monthly. Please add the engagement letter to your board agenda at your first meeting of the year.

- **Annual Timeline of Requirements for Pension Funds** -- Please use this timeline as a reference for the new year, as well as to help you build agendas and plan the business of the pension fund this year.

- **Client Information Sheet** -- This includes the contact information for the board members and its service providers. Please proofread it carefully and let us know if there are any additions or changes that should be made.

If you have any questions regarding the enclosed material, please feel free to contact us. We look forward to our continued relationship in 2019.

Very truly yours,

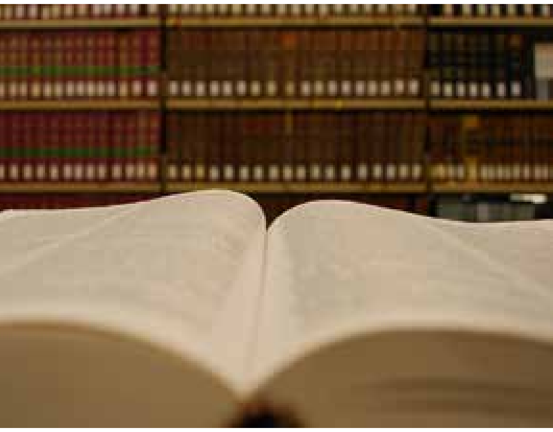
OTTOSEN BRITZ KELLY COOPER GILBERT & DINOLFO, LTD.

Carolyn Welch Clifford

Carolyn Welch Clifford

Enclosures

WINNETKA FPF / General / Transmittal Letter /303801



The Battle Between A Parsimonious Municipality and a Covetous Pension Board

By Carolyn Welch Clifford
Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.

Court confirms police officers' salary spikes cannot be factored into retirement pension calculations

A lengthy dispute over spiked pension benefits between a city on one side, and its police pension fund and retirees aligned on the other, was resolved by the First District Appellate Court in the recent case of *City of Countryside v. City of Countryside Police Pension Board of Trustees, et al.*, 2018 IL App (1st) 171029. In a decision written by Justice Mathias W. Delort (a former municipal attorney and pension board trustee), the appellate court considered legal issues ranging from collective bargaining agreements and side letters to the proper funding of pension funds and the constitutional protections of retirement benefits.

While the decision is complicated and lengthy, it provides several fundamental principles of Illinois pension law that are worth reviewing in detail. However, before analyzing these fundamental principles, a review of the underlying facts is necessary.

Background

In 2002 the City of Countryside bargained new contracts for its police officers that contained a longevity benefit of $800 (later, $850) for officers with more than twenty years of service who were "pension-eligible." In order to receive the benefit, the officer had to designate a two-week pay period in which to receive the longevity benefit in either the first half of January or July.

During the negotiation process, the City's labor attorney prepared a memo to City officials indicating that the $850 longevity benefit would increase a retiring officer's salary by $20,400 "for pension purposes." The City's general counsel also opined in writing that the City could bargain with the union for more generous pension benefits than those permitted by state law and that the pension board would be obligated to award pensions based on the collective bargaining agreement.

Later that year, the City's labor attorney and the Fraternal Order of Police's attorney signed a "Side Letter." In the Side Letter, the FOP and City agreed and approved a particular calculation method for the longevity benefit established in the new contracts. Specifically, when an eligible officer took a longevity benefit, the officer's gross salary for pension purposes would be calculated by multiplying the one-time $800 or $850 longevity benefit times twenty-four payroll periods, which resulted in a final salary for pension purposes that was either $19,200 or $20,400 higher than the officer actually received in the prior year. In other words, the Side Letter created a pension benefit spike for police officers at the time of their retirement.

The City adopted a resolution in 2003, authorizing the mayor and clerk to sign the FOP contracts that were attached to the resolution; however, neither the resolution nor the contracts referenced the Side Letter. About ten retiring officers took advantage of the longevity benefit and received retirement pensions calculated under the method described in the Side Letter.

In the years following this agreement, the City's attorneys downplayed any concerns that the Side Letter computation method for spiking retirement benefits might be unlawful. Finally, in 2010, the City's labor attorney requested an advisory opinion from the Illinois Department of Insurance ("DOI") regarding the computation method. The DOI provided a written advisory opinion, in which it noted that under Section 3-125.1 of the Illinois Pension Code, salary for pension purposes is "the annual salary, including longevity, attached to the police officer's rank, as established by the municipality's appropriation ordinance." (40 ILCS 5/3-125.1)

The DOI, however, further noted that under its administrative regulations interpreting the definition of "salary" for pension purposes, when longevity pay is paid in a lump sum, it must be prorated to determine the monthly equivalent. (50 Ill. Adm. Code §4402.35(d)) As a result, the DOI concluded that "only the $850 (1/26th of the annualized increase of $22,100) would be considered pensionable." In a second advisory opinion a few months later, the DOI reiterated its position, adding that the Side Letter had "no bearing" on its interpretation because salary is defined by state law, which cannot be superseded by a collective bargaining agreement.

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Pension Pointers

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Meanwhile, the City retained its own actuary to compute the City's annual contribution to the Fund. In making the calculation, the actuary based the actuarial valuation on the assumption that the Side Letter computation method was illegal and that officer's salary at retirement for pension purposes should be computed by prorating the longevity benefit over twenty-four pay periods rather than annualizing. As a result, the City began funding the Countryside Police Pension Fund at a lower employer contribution amount than the contribution calculation from the Fund's actuary.

In February of 2012, the City filed this lawsuit against the Pension Board. The complaint generally alleged among other things that the Side Letter had created a "systemic miscalculation of benefits" and that the longevity benefit "spikes" were not pensionable salary. The City sought a declaration that the computation method was illegal and a determination that the Pension Board should cease making any further payments to retirees or beneficiaries in which pension spikes had occurred.

The circuit court granted the City's motion for summary judgment, opining that the collective bargaining agreement alone – and not the Side Letter – governed the longevity benefit calculation. The court refused to determine the legality of alleged pension spikes or the issue of funding. It also applied its ruling prospectively only to future retirees and not to any retirees currently receiving benefits. The Pension Board and its retirees eventually filed a counterclaim against the City, alleging that the elimination of the Side Letter computation method was prohibited by the pension protection clause of the Illinois Constitution.

The circuit court again entered an order granting the City's motion for summary judgment. This time, the court rejected the Pension Board's and retirees' reliance on the fact that the City knew about the Side Letter, noting that it was irrelevant because the Side Letter was neither incorporated into any collective bargaining agreement nor adopted by ordinance.

Ultimately, the circuit court concluded: (1) the Pension Board's reliance on the Side Letter was contrary to the Illinois Pension Code; (2) the City was not required to levy taxes or fund the Pension Fund based on the Side Letter; (3) the Pension Board must recalculate the retirees' pension in accordance with the salary in the collective bargaining agreements and award future benefits based on these calculations; and (4) the Pension Board was prohibited from using the Side Letter with respect to any future retirees. The Pension Board and retirees appealed the decision to the First District Appellate Court, which essentially affirmed the circuit court's entire decision. The appellate court determined the Side Letter calculation increasing pension benefits was improper and must be stopped.

Fundamental Principles

Even though the facts and findings of the *City of Countryside* case are complex, they help illustrate seven fundamental principles of Illinois pension law. Each of these principles are reviewed in turn below.

Principle No. 1 – The DOI has the authority to issue regulations governing municipal police and fire pension funds, and its interpretation of statutory provisions should be given substantial weight unless they are arbitrary, capricious or manifestly contrary to the statute.

The Illinois Supreme Court has held that an administrative agency, such as the DOI, has the authority to regulate and execute the provisions of the statute and carry out the powers conferred on it. In this case, the court found that the Illinois Pension Code authorizes the DOI to regulate pension funds, and its conclusions are presumed to be valid so long as they are consistent with the statute's language. The court noted that the DOI's administrative regulation outlining what constitutes salary for pension purposes and how a longevity benefit must be prorated is consistent with the salary-related provisions of the Illinois Pension Code (40 ILCS 5/3-111(a) and 3-125.1). The court also emphasized that the DOI's promulgation of these regulations was a proper exercise of its authority under Section 1A-103 of the Code. Accordingly, the *City of Countryside* serves as a lesson that the DOI's findings will not easily be disturbed on appeal.

Principle No. 2 – "Pensionable salary" must be attached to an officer's rank and specified in the municipality's appropriation ordinance; variable or irregular forms of pay are not pensionable salary.

The court noted that compensation plans for public employees "can be complex," with a variety of new and creative components being created under bargained contracts every year. Sometimes these salary components are pensionable; sometimes they are not. As the court explained:

[W]hile longevity pay can be included in an officer's pensionable salary, both the longevity pay and the base salary used for pension purposes must be attached to the officer's *rank* (that is, not to the officer individually) and, further, that the salary must be that as specified in the municipality's appropriation ordinance . . . The court further elaborated:

Along the same lines, section 3-125.1 also provides that certain irregular compensation elements, such as overtime, holiday, bonus, and merit pay, are *not* part pensionable salary. The exclusion of these variable or irregular pay elements clearly indicates the legislature's intent that the pensionable salary be based on what the officer regularly received and would continue to receive absent his retirement, and that it not be artificially increased by fortuitous circumstances such as working long overtime hours immediately before retirement.

The court noted that a police officer's contributions to the pension fund are based on the regular salary of the officer. As a result, the DOI's administrative regulation makes it clear that a lump sum longevity benefit must be prorated to a "monthly equivalent to compute all pension contributions and benefits."

Justice Delort noted how "utterly irrational" the Side Letter calculation method was and how it was producing

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***About the Author**: **Carolyn Welch Clifford** is a partner with Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd. in Naperville, Illinois. Ms. Clifford earned her B.S. and J.D. degrees from the University of Illinois in Urbana-Champaign. She serves as editor of one of the firm's publications, Legal Insights for Pension Boards, and is a frequent speaker at fire service and public pension conferences in Illinois and nationally. Ms. Clifford currently serves as chair of the Public Safety Affinity Group of the National Association of Public Pension Funds. She concentrates her practice in the representation of Illinois firefighter and police pension funds, as well as fire and police commissions and fire protection districts. You can contact her at cclifford@ottosenbritz.com.*

"absurd results" when considering the abusive tactics that could be used to provide retiring officers a one-time pay increase during the last hours of an officer's career. Such tactics and calculation methods simply produce pensionable salaries that are unsupported by law, particularly in light of the fact the employee has not made employee contributions into the pension fund for more than a pay period to support the spiked pensionable salary. In short, the retiree pensions in this case were miscalculated by improperly multiplying the longevity benefit by twenty-four pay periods to add it to the pensionable salary of retiring officers.

The court noted that a consistent line of case law has determined that extra pay elements must be duly appropriated by municipal ordinance in order to be considered pensionable salary. In this case, the City never enacted an ordinance appropriating a longevity benefit multiplied by twenty-four pay periods for any of the retirees. The Side Letter was notably never approved by the City Council.

Principle No. 3 – Municipalities have discretion in determining the annual employer contribution to a pension fund, as long as it is computed pursuant to statute, and may use a source of funding other than a property tax levy.

There is a tension in the Illinois Pension Code between the pension board's obligation to request funding and the municipality's obligation to provide funding. Depending on the actuarial assumptions applied, a municipality and pension fund can arrive at different employer contribution requirements. "Not surprisingly, this tension has resulted in litigation grounded in the natural tendency of each side to use actuarial assumptions favorable to its own interests."

Nonetheless, the court found that a municipality is not strictly bound by the actuarially determined calculations for funding generated by the pension board, but instead enjoys some discretion in determining annual employer contribution – as long as it is in accordance with the Illinois Pension Code. In this case, the City provided funding through non-real estate tax sources, and the court concluded that the City was entitled to do so, despite the Pension Board's argument that the statute required the City to levy a property tax to support its annual obligation to the Fund (40 ILCS 5/3-125).

As Justice Delort noted:

The central holding of cases such as *Evanston, Rockford,* and *Harvey* is that as long as the municipality funds the Board in an amount computed pursuant to section 3-125 of the Pension Code, there is no cause for judicial intervention. The battle between a parsimonious municipality and a covetous pension board over whose actuarial calculations are superior is left to be resolved by the political process, not the courtroom.

Principle No. 4 – The public interest in enforcing the Illinois Pension Code and ensuring the fiscal solvency of a pension fund takes priority over the false expectations of pensioners.

One of the Pension Board's and retirees' arguments was that the City's claims were barred by the doctrine of *laches*, which is an equitable principle that prevents recovery by a litigant whose unreasonable delay in bringing litigation for relief prejudices the rights of another party.

The court concluded that the doctrine of *laches* did not apply in this case, as the case involved the illegal expenditure of public funds. Generally, *laches* is to be applied sparingly against a municipality and only under extraordinary circumstances. As Justice Delort stated:

While we recognize that the retirees may have proceeded in reliance on the Board's original (but illegal) computations, the public interest in enforcing the Pension Code and ensuring fiscal solvency of the local fund must take priority over the retirees' expectations.

Similarly, the court also concluded the doctrine of equitable estoppel was inapplicable in this case. Equitable estoppel prohibits a party from asserting rights where doing so would create a fraud or injustice on another party. Like *laches*, equitable estoppel also should only be used against a municipality in extraordinary and compelling circumstances.

The Pension Board and retirees argued that the City knew exactly what it was doing in agreeing to the longevity benefit and the cost involved. Furthermore, they argued, the City and the union can agree to give the employees benefits at whatever level they so choose. The court did not agree, finding that the City, the Pension Board, and the employees "all function within a larger system created by state law." To suggest that a city and its union could agree to grant police officers million-dollar-a-year pensions, binding future city administrations, would create an absurd result.

Principle No. 5 – A municipality has the authority to challenge a pension board's fiduciary breaches beyond administrative review.

The Pension Board and retirees had argued that the City waited too long to challenge the Pension Board's decision to grant retirement benefits based on the Side Letter's calculation method. They argued the City was barred by the

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thirty-five-day window under the Illinois Administrative Review Law to appeal the Pension Board's decisions on the retirement benefits. The court disagreed, noting that those cases involve a dispute between a pensioner and the pension fund. Furthermore, other courts have authorized challenges to the actions of pension boards where they involve significant violations of the Illinois Pension Code and seek to ensure the fiscal integrity of the pension fund.

Principle No. 6 – The Pension Protection Clause of the Illinois Constitution does not prevent a court from imposing a remedy to bring retirees' pensions to the correct level permitted by law existing upon their retirements.

The court explicitly rejected the argument that the Illinois Constitution's pension protection clause prevents a court from ever diminishing a retiree's pension, even to eliminate an excess illegal payment or reduce a pension to a level authorized by law. As the court observed:

A host of individuals affiliated with the City, aided by the employees who sat at the bargaining table, constructed a fictitious calculation method based on erroneous advice and used the method to award pensions far higher than those permitted by law. They steadfastly refused to rectify the situation after the DOI admonished them – several times over the course of a number of years – that the method was illegal. Although we understand that some or all of the retirees may have left service in reliance on the advice given to them at the time of retirement, they are nonetheless charged with knowledge of the laws.

In other words, the pension protection clause does not protect against the reduction of a retiree's pension where the basis of that benefit is illegal.

Principle No. 7 – Each monthly benefit payment and annual funding dispute triggers a separate five-year statute of limitations period.

The Pension Fund and retirees had argued that the City's claims were time barred by the five-year statute of limitations applicable to civil actions in Illinois (735 ILCS 5/13-205). The court disagreed. While concerned for the retired officers who had made decisions regarding their retirement and financial plans based on the Side Letter computation method, albeit illegal, the court concluded that the key issue is to apply the five-year limitation based on when the cause of action accrued.

Thus, the court focused on whether the Pension Board's issuance of monthly pension checks to the retirees, based on its

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initial determinations made at the time of retirement for each retiree, is a continuing violation, such that the limitations period would not run until the date of the most recent pension check. The court concluded that each monthly benefit check and annual funding dispute triggers a separate limitations period, and as such, the statute of limitations does not entirely bar the City's claims. In this case, the court limited the City's claims to those arising after February 2007, five years before the City filed the litigation.

The Court's Remedy: Fix the Retirement Benefits Going Forward

Justice Delort noted that counsel for the City confirmed at oral argument that it did not seek to claw back any excess pensions from the retirees, which he opined was fair. He wrote, "It would be manifestly unfair to force the retirees and surviving spouses to pay the City back for pensions received years ago, since the City itself (through the fault of the administration in office in 2002) bears much of the responsibility for this financial fiasco." In summary, the court held:

1. The City's funding may be fulfilled through an actuarial valuation that complies with Section 3-125 of the Pension Code.
2. The retirees' monthly benefits must be recalculated without using the Side Letter calculation method and must be reduced going forward only.
3. Future retirees' benefits must be calculated in the same correct manner, without using the Side Letter calculation method.

The decision settles – hopefully once and for all – many misconceived notions that some municipalities, unions and pension boards have held. They cannot use creative pay schemes and pension spikes to abuse the pension system, and then hide behind procedural limitations and constitutional protections when the unjustly enriched pensions have been called out. Such reliance has always been misplaced; it is refreshing to read Justice Delort's thorough analysis finally dispelling these myths and providing a path to fix these abuses going forward – and hopefully, preventing them in the future. ■

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Fiscal Year Ending December 31

TIMELINE OF REQUIREMENTS FOR:
ARTICLE 3 POLICE PENSION FUNDS AND ARTICLE 4 FIREFIGHTER PENSION FUNDS

FILING REQUIRED WITH THE ILLINOIS DEPARTMENT OF INSURANCE (DOI)

ITEM	STATUTORY REFERENCE	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
DOI Annual Statement (including signature sheet)	40 ILCS 5/1A-109	Treasurer and/or outside accountant	Due within six (6) months after close of the fiscal year-end of the Fund	
Independent Certified Public Accountant (CPA) Audit Report of fund or municipality	40 ILCS 5/1A-104		Due within six (6) months after close of the fiscal year-end of the Fund	
Actuarial statements by outside actuary	40 ILCS 5/1A-111		Due within nine (9) months after close of the fiscal year-end of the Fund	
Investment policy	40 ILCS 5/1-113.6		Due within thirty (30) days after initial adoption or amendment	
Investment advisor/consultant agreements	40 ILCS 5/1-113.5(c)		Due within thirty (30) days of appointment of advisor/consultant	
Security administrator			Prior to permission to access DOI online data collection system	
Servicer certification from Illinois finance entities	40 ILCS 5/1-110.10		Due by February 28th	
Signed copy of labor contracts showing salary by rank and class, including wage scales if applicable and referenced in labor contracts	50 Ill. Admin. Code 4402 40 ILCS 5/3-125.1 40 ILCS 5/4-118.1		Annually	
Fiscal year appropriation ordinance, plans or agreements establishing salary for Schedule P active members and new retirees during fiscal year	50 Ill. Admin. Code 4402 40 ILCS 5/3-125.1 40 ILCS 5/4-118.1		Annually	

EVERY QUARTER/MEETING

ITEM	STATUTORY REFERENCE	RESPONSIBLE PERSON(S)	COMPLETED
Post agenda for meeting (notice and agenda if special or rescheduled meeting) 48 hours in advance	5 ILCS 120/2.02(a)		
Review and approve minutes from prior meeting (within 30 days after that meeting or at second subsequent regularly scheduled meeting, whichever is later)	5 ILCS 120/2.06		
Receive treasurer's report	30 ILCS 235/2.5(a)(10)	Treasurer and/or outside accountant	
Review investment performance and take action on investments	30 ILCS 235/2.5(a) (9) and (10)	Investment advisor and/or investment consultant	
Review and approve payment of bills (disbursement warrant)	40 ILCS 5/3-134 and 3-138 40 ILCS 5/4-127, 4-131, and 4-132	Treasurer and/or outside accountant	

FIRST QUARTER (JANUARY-FEBRUARY-MARCH)

ITEM	STATUTORY	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
Give public notice of the schedule of regular meetings, stating regular dates, times and places of such meetings	5 ILCS 120/2.02(a)	Secretary	Beginning of calendar or fiscal year	
Review and update investment policy	40 ILCS 5/1-113.6 30 ILCS 235/2.5(a)(9)		To be filed with DOI, if amended, within 30 days	
Prepare election procedures and seek reappointments	40 ILCS 5/3-128 40 ILCS 5/4-121		Third Monday in April	
Receive and submit annual servicer certifications from Illinois finance entities to DOI	40 ILCS 5/1-110.10		No later than February 28th	
Confirm tax levy amount for Fund from municipal tax ordinance from December	40 ILCS 5/3-125 40 ILCS 5/4-118	Treasurer		
Certify annual training requirements met by individual trustees and submit to DOI	40 ILCS 5/1-109.3 40 ILCS 5/1-113.18			
Complete the 1099-Misc forms due to vendors, and send copies of the 1099-Misc forms and 1096 form to IRS		Treasurer and/or outside accountants	To vendors and the IRS by January 31st	
Complete the 1099-R forms due to payees, and send copies of 1099-R forms, 1096 form and 945 form to the IRS		Treasurer and/or outside accountants	To payees and the IRS by January 31st	
Complete the fiscal year-end audit work papers and send information to the auditor	40 ILCS 5/1A-109	Treasurer and/or outside accountants		
Complete fiscal year-end audit work papers and send information to the auditor	40 ILCS 5/3-143 40 ILCS 5/4-134	Treasurer and/or outside accountants		
Review professional services contracts, engagement letters and retainers with auditor, actuary, accountants and attorneys (as needed)				
Submit list of required filers for Statements of Economic Interest to county clerk	5 ILCS 420/4A-106	Chief Administrative Officer	By February 1st	
Funding policy development/review		Board members in conjunction with Village, City or Fire District officials	End of 1st quarter	
Approve annual pension increases to begin in January	40 ILCS 5/3-111.1 40 ILCS 5/4-109.1	Treasurer and/or outside accountants		

SECOND QUARTER (APRIL-MAY-JUNE)

ITEM	STATUTORY	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
Conduct and canvass trustee elections	40 ILCS 5/3-128 40 ILCS 5/4-121		Third Monday in April	
Reorganize the board and elect officers (fire)	40 ILCS 5/4-121			
Conduct six-month review of closed meeting minutes	5 ILCS 120/2.06(d)	Secretary		

SECOND QUARTER, CONT'D

ITEM	STATUTORY	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
Review professional services contracts, engagement letters and retainers with investment professionals (as needed). Obtain Form ADV (Part 1) from investment advisors/consultants and complete checklist.	40 ILCS 5/1-113.5			
Review and update membership files	40 ILCS 5/3-132 40 ILCS 5/4-107(b) and 4-123			
Confirm actual prior year employer contributions	40 ILCS 5/3-143 40 ILCS 5/4-134	Treasurer		
Approve and remit payment of the DOI Compliance Fee invoice (usually received in May)	40 ILCS 5/1A-112	Treasurer and/or outside accountants	Due June 30th	
Submit the fiscal year-end Annual Statement and signature sheet to DOI	440 ILCS 5/1A-109		Due six (6) months after end of fiscal year (June 30th)	
Submit independent CPA Audit Report of fund or municipality to DOI	40 ILCS 5/1A-104		Due six (6) months after end of fiscal year (June 30th)	
Submit annual Statement of Economic Interests form to the county	5 ILCS 420/4A-106 5 ILCS 420/4A-101(o)	Individual trustees	Due May 1st	
Ensure new OMA and FOIA officers complete initial training and FOIA officer completes annual training	5 ILCS 120/1.05(a) 5 ILCS 140/3.5(b)	OMA and FOIA officers	Within thirty (30) days of designation for OMA and FOIA; annually for FOIA by July 1st	
Open Meetings Act Trustee Training	5 ILCS 120/1.05(b)	Elected and appointed trustees	Within 90 days of election or appointment; Training completion certificates to be filed with Fund	
Review portions of Audit applicable to the fund			Due six (6) months after end of fiscal year (June 30th)	
Securities Custody Affidavit	50 Ill. Admin. Code 4425.40		Due April 30th – a "Dealer" must provide fund with notarized affidavit. New "Dealer" must provide a notarized affidavit on or before taking possession or control of securities.	

THIRD QUARTER (JULY-AUGUST-SEPTEMBER)

ITEM	STATUTORY	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
Reorganize new Board and elect officers (police)	40 ILCS 5/3-130		July meeting	
Send out affidavits of eligibility to beneficiaries (if any)	40 ILCS 5/3-115 40 ILCS 5/4-112			
Conduct annual medical evaluations of disabled members under age 50 (if any)	40 ILCS 5/3-115 40 ILCS 5/4-112			
Review actuarial report and make tax levy recommendation to municipality	40 ILCS 5/3-143 40 ILCS 5/4-134			
Submit tax levy report (municipal compliance report) to municipality	40 ILCS 5/3-143 40 ILCS 5/4-134		Before meeting at which municipal board adopts its tax levy ordinance	
File copy of outside actuarial report with DOI	40 ILCS 5/1A-111		Within nine (9) months of end of fiscal year (September 30th)	

THIRD QUARTER, CONT'D

ITEM	STATUTORY	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
Begin coordinating implementation of GASB Statement No. 67 and No. 68 with accountant, auditor, actuary and investment managers		Treasurer		

FOURTH QUARTER (OCTOBER-NOVEMBER-DECEMBER)

ITEM	STATUTORY	RESPONSIBLE PERSON(S)	DUE DATE	COMPLETED
Establish regular meeting schedule for next calendar year	5 ILCS 120/2.02(a)			
Review and update Board rules and forms	40 ILCS 5/3-140 40 ILCS 5/4-126			
Review and update contractual agreements with custodians and investment advisors/consultants (as needed)	40 ILCS 5/1-113.5		No less than every five (5) years for investment consultants	
Begin gathering information to complete the fiscal year-end DOI Annual Statement	40 ILCS 5/1A-109		Due within six (6) months after close of fiscal year-end of Fund	
Conduct six-month review of closed meeting minutes	5 ILCS 120/2.06(d)			
Make sure implementation of GASB Statement No. 67 and No. 68 is on track		Treasurer		
Request investment consultant disclosures on minority/female/disabled individuals investment services and compensation/economic opportunities	40 ILCS 5/1-113.22 40 ILCS 5/1-113.23		By January 1st of every year	

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KELLY COOPER GILBERT & DINOLFO, LTD.

Pension Funding Report | Fiscal Year End: December 31

Winnetka Firefighters' Pension Fund

Fiscal Year	2016	2017	2018
Employer Contribution	$1,439,948.00	$1,708,105.00	TBD
Fund's Actuary's Recommended Contribution	$1,451,602.00	$1,723,176.00	$1,776,163.00
Fund's Actuary's Statutory Minimum	$1,030,646.00	$1,190,096.00	$1,298,310.00
DOI Statutory Minimum	$982,987.00	$977,939.00	$967,353.00

Employer Contribution vs.	2016	2017	2018
Fund's Actuary's Recommended Contribution	($11,654.00)	($15,071.00)	#VALUE!
Fund's Actuary's Statutory Minimum	$409,302.00	$518,009.00	#VALUE!
DOI Statutory Minimum	$456,961.00	$730,166.00	#VALUE!

DOI Statutory Minimum vs.	2016	2017	2018
Fund's Actuary's Recommended Contribution	($468,615.00)	($745,237.00)	($808,810.00)
Fund's Actuary's Statutory Minimum	($47,659.00)	($212,157.00)	($330,957.00)

Fund's Actuary's Recommended Contribution vs.	2016	2017	2018
DOI Statutory Minimum vs.	$468,615.00	$745,237.00	$808,810.00
Fund's Actuary's Statutory Minimum	$420,956.00	$533,080.00	$477,853.00

1/21/2019

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Employer Contributions
December 31, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 1,315,341	$ 1,321,000	$ 5,659	$ 2,409,734	54.82%
2015	1,327,823	1,391,267	63,444	2,440,604	57.01%
2016	1,451,602	1,439,948	(11,654)	2,421,648	59.46%
2017	1,723,176	1,708,105	(15,071)	2,560,651	66.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	17 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	RP 2014 Combined Healthy Mortality

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

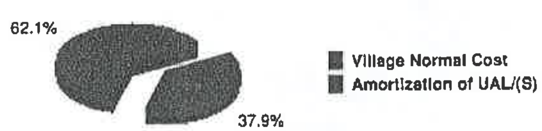
DRAFT

TAX LEVY REQUIREMENT

The Public Act 096-1495 Tax Levy Requirement is determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the excess (if any) of ninety percent (90%) of the accrued liability over the actuarial value of assets as a level percentage of payroll over a thirty (30) year period which commenced in 2011, plus an adjustment for interest. The 100% amortization amount is equal to the amount to amortize the unfunded accrued liability as a level percentage of payroll over a forty (40) year period which commenced in 1993.

		For Year Ending December 31		
		2015		2014
Village Normal Cost as of Beginning of Year	$	517,722	$	513,509
Amortization of Unfunded Accrued Liability/(Surplus)		848,492		736,207
Interest for One Year		85,388		78,107
Tax Levy Requirement as of End of Year	$	1,451,602	$	1,327,823
Public Act 096-1495 Tax Levy Requirement				
1) Normal Cost (PUC)		540,907		552,603
2) Accrued Liability (PUC)		36,716,520		33,389,250
3) Amortization Payment		429,113		354,637
4) Interest for One Year		60,626		56,703
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	$	1,030,646		963,943

TAX LEVY REQUIREMENT
For Fiscal Year Ending December 31, 2015



WINNETKA FIREFIGHTERS PENSION FUND
Actuarial Valuation Report

Assets

Actuarial Value of Assets
Current Year Gain/(Loss):

Market value of assets as of December 31, 2013	$22,656,625
Benefit payments during fiscal year 2014	(1,810,863)
Total contributions during fiscal year 2014	1,546,546
Expected return during fiscal year 2014	1,520,401
Expected market value of assets as of December 31, 2014	$23,912,709
Actual market value of assets as of December 31, 2014	$23,873,494
Investment gain/(loss) during the fiscal year	($39,215)

Development of Actuarial Value of Assets (market value less unrecognized amounts):

Market value of assets as of December 31, 2014	$23,873,494
Unrecognized gain/(loss) from fiscal 2014	(31,372)
Unrecognized gain/(loss) from fiscal 2013	896,993
Unrecognized gain/(loss) from fiscal 2012	(34,816)
Unrecognized gain/(loss) from fiscal 2011	0
Actuarial value of assets as of December 31, 2014	$23,042,688

Actuarially Determined Employer Contributions

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of January 1, 2015.	$489,643
Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 26 years as prescribed by Section 4-118 of the Illinois Pension Code.	$431,188
Interest to the end of the fiscal year.	$62,156
Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 4-118 of the Illinois Pension Code. *	$982,987

*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

MANAGEMENT SUMMARY

CONTRIBUTION RECOMMENDATION

	Prior Valuation*	Current Valuation
Contribution Requirement	$1,451,602	$1,723,176
Expected Payroll	$2,409,734	$2,485,209
Contribution Requirement as a Percent of Expected Payroll	60.24%	69.34%

Recommended Contribution has Increased $271,574 from Prior Year.

FUNDED STATUS

	Prior Valuation*	Current Valuation
Normal Cost	$745,562	$689,460
Market Value of Assets	$23,873,494	$23,575,768
Actuarial Value of Assets	$22,818,953	$24,131,072
Actuarial Accrued Liability	$37,209,033	$42,320,232
Unfunded Actuarial Accrued Liability	$14,390,080	$18,189,160
Percent Funded		
Actuarial Value of Assets	61.33%	57.02%
Market Value of Assets	64.16%	55.71%

Funded Percentage has Decreased 4.31 on an Actuarial Value of Assets Basis.

*Prior Valuation Completed by Timothy W. Sharpe, Enrolled Actuary

Statutory Minimum Contribution

	Minimum Contribution
Contribution Requirement	$1,190,096
Expected Payroll	$2,485,209
Contribution Requirement as a Percent of Expected Payroll	47.89%

Funded Status – Statutory Minimum

	Minimum Contribution
Normal Cost	$800,563
Market Value of Assets	$23,575,768
Actuarial Value of Assets	$24,131,072
Actuarial Accrued Liability	$37,973,578
Unfunded Actuarial Accrued Liability	$13,842,506
Percent Funded	
Actuarial Value of Assets	63.55%
Market Value of Assets	62.08%

WINNETKA FIREFIGHTERS PENSION FUND
Actuarial Valuation Report

Assets

Actuarial Value of Assets

Current Year Gain/(Loss):

Market value of assets as of December 31, 2014	$23,873,494
Benefit payments during fiscal year 2015	(1,852,469)
Total contributions during fiscal year 2015	1,628,710
Expected return during fiscal year 2015	1,603,909
Expected market value of assets as of December 31, 2015	$25,253,644
Actual market value of assets as of December 31, 2015	$23,597,597
Investment gain/(loss) during the fiscal year	($1,656,047)

Development of Actuarial Value of Assets (market value less unrecognized amounts):

Market value of assets as of December 31, 2015	$23,597,597
Unrecognized gain/(loss) from fiscal 2015	(1,324,838)
Unrecognized gain/(loss) from fiscal 2014	(23,529)
Unrecognized gain/(loss) from fiscal 2013	597,996
Unrecognized gain/(loss) from fiscal 2012	(17,408)
Actuarial value of assets as of December 31, 2015	$24,365,376

Actuarially Determined Employer Contributions

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of January 1, 2016.	$472,640
Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 25 years as prescribed by Section 4-118 of the Illinois Pension Code.	$443,462
Interest to the end of the fiscal year.	$61,837
Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 4-118 of the Illinois Pension Code. *	$977,939

*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

VILLAGE OF WINNETKA, ILLINOIS
FIREFIGHTERS' PENSION FUND

Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending December 31, 2016

The Pension Board certifies to the Board of Trustees of the Village of Winnetka, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	Current Fiscal Year	Preceding Fiscal Year
Total Cash and Investments (including accrued interest)	$25,931,975	$24,209,770
Total Net Position	$25,405,726	$23,597,597

2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of firefighters' and from other sources:

Estimated Receipts - Employee Contributions	$260,700
Estimated Receipts - All Other Sources	
Investment Earnings	$1,620,700
Municipal Contributions	$1,776,163

3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	$967,353
Private Actuary - Foster & Foster	
Recommended Municipal Contribution	$1,776,163
Statutory Municipal Contribution	$1,298,310

Winnetka Firefighters' Pension Fund
(Village Hall) 510 Green Bay Road, Winnetka, Illinois 60093
Cook County

GENERAL INFORMATION	
Home Rule – Village	Fiscal year ending 12/31
Regular Meetings for 2019	February 13, May 8, August 7, November 13 – 3:00 p.m.
Backup Attorney	Jim Wargo
Meeting Location	Fire Dept., 428 Green Bay Road, Winnetka, IL
Phone / Fax	(847) 716-3504
Coordinator	Nick Mostardo, Assistant Finance Director
Administrative Assistant	Isabelle Copeland icopeland@lauterbachamen.com Lauterbach & Amen
DOI Security Administrator	Bill Roessler
OMA Designee	Nick Mostardo
FOIA Officer	Nick Mostardo
Retainer	N/A

BOARD MEMBERS				
President	Deputy Chief John Ripka	Appointed (4/1/19)	jripka@winnetka.org	(847) 716-3303 (work)
Secretary	Administrative Ltd. Andrew MacArthur	Active (4/1/20)	amacarthur@winnetka.org	(847) 716-3381 (work)
Trustee	Mark Fuller	Active (4/1/21)	mfuller@williamblair.com	(847) 446-9428 (home)
Trustee	John Sobel	Appointed (4/9/21)	j.sobel@chesleytaft.com	
Trustee	Steve Pearson	Retiree (4/1/21)	fogzilla@comcast.net	

PROFESSIONAL ADVISORS		
Investment Consultant	Mary Nye AndCo Consulting	
Accounting Services	Village of Winnetka	
Actuary	Foster & Foster	
Treasurer	Tim Sloth, Finance Director	(847) 716-3513
Auditor	Lauterbach & Amen	

Last Information Update 11/18
Flash Drive #5