



FIREFIGHTERS' PENSION INVESTMENT FUND  
1919 S. HIGHLAND AVE. • BUILDING A, SUITE 237 • LOMBARD, IL 60148

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## TRANSFER OF ASSETS

Adopted on April 16, 2021

[Amended on June 18, 2021]

### Section 1. Definitions.

- A. “Certified Investment Asset List” has the meaning ascribed to the term in Section 4 of this Rule.
- B. “Non-Transferable Asset” means an asset held by a Pension Fund that either cannot be transferred or is imprudent to transfer on the Transfer Date.
- C. “Non-Transferable Asset List” has the meaning ascribed to the term in Section 5 of this Rule.
- D. “Pension Fund” means a pension fund established pursuant to Article 4 of the Illinois Pension Code.
- E. “Transfer Date” means the date at which FPIF will assume fiduciary control of the Pension Fund's assets included on the Certified Investment Asset List determined for the Pension Fund.
- F. “Transition Order” means the order of Transfer Dates for Pension Funds.

### Section 2. Notice of the Transfer Date.

- (A) When FPIF is prepared to receive assets from any Pension Fund, the Executive Director of FPIF shall send written notice, pursuant to Section 10 of this Rule, to the Authorized Agents of the Pension Fund of FPIF's intent to assume fiduciary control of the Pension Fund's assets.
- (B) Such written notice shall be sent no fewer than 30 calendar days prior to the Transfer Date. FPIF shall file a copy of the written notice with the Department of Insurance.
- (C) On or after the date FPIF sends written notice, FPIF shall communicate that the notice has been sent to each of the Pension Fund's Authorized Agents via phone.
- (D) The written notice shall include (i) the Transfer Date; (ii) a copy of this Rule; (iii) a resolution provided by FPIF that includes authorizations necessary for the administration of the transfer of assets to FPIF; (v) a Transferal Form to be executed and shared with any entity with fiduciary control of any portion of the Pension Fund's assets; and (vi) other materials necessary for the administration of the transfer of assets.



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### Section 3. Determination of Transition Order.

FPIF shall determine a Transition Order by utilizing the following criteria that is listed in order of importance:

- 1) Fiscal Year End. FPIF shall attempt to limit disruption to each Pension Fund's end of plan year reporting by attempting to reasonably maximize the amount of time between a Pension Fund's Transfer Date and its next Fiscal Year End.
- 2) Prior Custodian. FPIF shall attempt to maximize operational efficiencies by reasonably assigning Pension Funds with shared custodians and Fiscal Year Ends the same Transfer Date.
- 3) Amount of Assets. FPIF shall limit portfolio trading costs by ensuring that sufficient amounts of assets are included in each Transfer Date.

Financial and fiduciary prudence dictates no fewer than three tranches of Transfer Dates in order to limit operational risk.

### Section 4. Certified Investment Asset Lists.

(A) FPIF, in cooperation with the Department of Insurance, shall audit the investment assets of each Pension Fund to determine a Certified Investment Asset List. FPIF shall engage a certified public accountant and utilize an Agreed Upon Procedures engagement to complete the Certified Investment Asset List. FPIF shall be responsible for payment of the costs and expenses associated with determining the certified investment asset list.

(B) The Certified Investment Asset List shall include all reserves, funds, assets, securities, and moneys of the Pension Fund, minus (i) any amounts of cash held by the Pension Fund in a local account to pay its benefit payments and other reasonable expenses and (ii) any assets included on a Non-Transferable Asset List. Each Certified Investment Asset List shall, at a minimum, include for each investment the name, a unique identifier such as a CUSIP Code, the number of shares or units, the fair market value per share or per unit, and the total fair market value.

(C) Upon determination of a Certified Investment Asset List for any Pension Fund, FPIF and the Department of Insurance shall send written notice, pursuant to Section 10 of this Rule, of the Certified Investment Asset List to the Pension Fund. FPIF shall, within 10 business days, or as soon thereafter as may be practicable, in accordance with FPIF Rules, initiate the transfer of assets from the Pension Fund.

(D) If a variance is discovered on a Certified Investment Asset List before the Transfer Date, a second Certified Investment Asset List shall be determined for the Pension Fund consistent with this Section, and FPIF and the Department of Insurance shall send written notice, pursuant to Section 10 of this Rule, of the second Certified Investment Asset List to the Pension Fund.



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(E) A Pension Fund in receipt of a Certified Investment Asset List provided by FPIF and the Department of Insurance shall not purchase assets or sell any assets on the Certified Investment Asset List.

(F) In the event that a Non-Transferable Asset is included on a Certified Investment Asset List, FPIF reserves the right to amend a Certified Investment Asset List and reassign the Non-Transferable Asset to a Non-Transferable Asset List. Upon the amendment of a Certified Investment Asset List that reassigns a Non-Transferable Asset to a Non-Transferable Asset List, FPIF shall send written notice, pursuant to Section 10 of this Rule, of the amendment to the Pension Fund.

#### Section 5. Non-Transferable Asset List.

(A) FPIF shall, when determining the Certified Investment Asset List of a Pension Fund, determine if a Pension Fund has Non-Transferable Assets.

(B) Any asset determined to be a Non-Transferable Asset shall be included on a Non-Transferable Asset List. Upon determination of a Non-Transferable Asset List for any Pension Fund, FPIF shall send written notice, pursuant to Section 10 of this Rule, of the Non-Transferable Asset List to the Pension Fund.

(C) Assets contained on the Non-Transferable Asset List will not be transferred to the FPIF on the Pension Fund's Transfer Date. Those assets will continue to be held by the Pension Fund until FPIF determines a prudent method for transferring such assets to the FPIF.

#### Section 6. Written Notice of the Certified Public Accountant.

(A) No fewer than 30 calendar days prior to the Transfer Date, FPIF shall send written notice, pursuant to Section 10 of this Rule, to the Authorized Agents of the Pension Fund of the name of the certified public accountant who will determine the Pension Fund's Certified Investment Asset List.

(B) FPIF shall file a copy of the written notice with the Department of Insurance.

#### Section 7. Obligations of Pension Funds

(A) Each Pension Fund shall have sole fiduciary and statutory responsibility for the management of its assets included on the Certified Investment Asset List until 8:30 AM central time on the Transfer Date. At 8:30 AM central time on the Transfer Date, statutory and fiduciary responsibility for the investment of the Pension Fund's assets included on the Certified Investment Asset List shall shift exclusively to FPIF, and the Pension Fund shall not seek to exercise any control over the assets.



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(B) Upon receipt of the written notice of the Transfer Date, the Pension Fund shall send prompt written notice of the Transfer Date to its custodian and any other entity with fiduciary control of any portion of its assets. The Pension Fund shall forward a copy of FPIF's written notice to any entity with fiduciary control of any portion of its assets and shall instruct such entities that FPIF will assume fiduciary control of its assets at 8:30 AM central time on the Transfer Date. The Pension Fund shall copy the FPIF Executive Director on each written notice of the Transfer Date delivered to its custodian and any other entity with fiduciary control of any portion of its assets.

(C) Each Pension Fund shall consider and approve a resolution provided by FPIF that includes authorizations necessary for the administration of the transfer of assets to FPIF no later than sixty calendar days prior to the Pension Fund's Transfer Date. Each Pension Fund, upon the adoption of the resolution, shall execute the Transferal Form provided by FPIF and forward a copy of the Transferal Form to any entity with fiduciary control of any portion of its assets. The Pension Fund shall copy the FPIF Executive Director on each notice of the Transferal Form delivered to its custodian and any other entity with fiduciary control of any portion of its assets.

(D) Upon receipt of the written notice of the certified public accountant, the Pension Fund shall promptly notify its custodian and any other entity with fiduciary control of any portion of its assets of the certified public accountant that will determine the Certified Investment Asset List. The Pension Fund shall instruct its treasurer, its custodian, and any other entity with fiduciary control of any portion of its assets to assist the certified public accountant in determining the Certified Investment Asset List. The Pension Fund shall copy the FPIF Executive Director on each written notice of the certified public accountant delivered to its custodian and any other entity with fiduciary control of any portion of its assets.

(E) Each Pension Fund shall have sole fiduciary and statutory responsibility for the management of its assets included on the Non-Transferable Asset List until such time as FPIF determines a prudent method for transferring such assets to the FPIF. If a Non-Transferable Asset matures or liquidates while on the Non-Transferable Asset List the Pension Fund shall transfer the proceeds to either its cash account or to the FPIF in accordance with the FPIF Cash Management Policy. Under no circumstances are any such proceeds to be reinvested by the Pension Fund.

(F) Each Pension Fund in receipt of a Non-Transferable Asset List shall take all reasonable steps to assist FPIF in converting Non-Transferable Assets to transferrable assets and shall insure that all information on Non-Transferable Assets requested by FPIF or its agents be made available to FPIF.

#### Section 8. Transfer of Assets & Receipt of Transfer

(A) FPIF shall initiate the transfer of assets from a Pension Fund in receipt of a Certified Investment Asset List on the Pension Fund's Transfer Date.

(B) FPIF shall provide a receipt for the transfer to the Pension Fund within 30 days of the Transfer Date by written notice pursuant to Section 10 of this Rule.



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#### Section 9. Transfer of Assets on Non-Transferable Asset List.

(A) FPIF shall seek to prudently move Non-Transferable Assets to a Certified Investment Asset List and prudently transfer such assets to FPIF.

(B) Upon determination that an asset on a Non-Transferable Asset List is transferable, FPIF shall:

- 1) Provide the Pension Fund with notice of the Transfer Date in accordance with Section 2 of this Rule;
- 2) Determine a Certified Investment Asset List in accordance with Section 4 of this Rule; and
- 3) Transfer the asset in accordance with Section 8 of this Rule.

(C) FPIF shall take all reasonable steps to transfer all assets from all Pension Funds to the FPIF in advance of the June 30, 2022 deadline to transfer assets prescribed by Section 22C-120 of the Illinois Pension Code.

(D) FPIF reserves the right to delay transfer assets included on a Non-Transferable List beyond the June 30, 2022 statutory deadline if financial and fiduciary prudence dictates the delay.

(E) FPIF shall take all reasonable steps to monitor assets on Non-Transferable Asset Lists. The Executive Director shall make quarterly reports to the Investments and Operations Committee regarding the status of such assets and progress around transferring such assets to FPIF.

#### Section 10. Notices.

(A) Unless otherwise provided, all written notices required by this Rule shall be sent by either facsimile or electronic mail (requesting delivery confirmation) and at least one of the following methods: U.S. First-Class Mail, U.S. Priority Mail Express, U.S. Certified Mail (return receipt requested), or a third-party delivery service.

(B) Such notices shall be deemed received: (1) if sent by facsimile, on the date that the sender's fax machine confirms that the transmission was successful; (2) if sent by electronic mail, the date the sender receives an acknowledgment that the message was delivered; (3) if sent by U.S. First-Class Mail, then three days after deposit in the U.S. Mail by the sender; (4) if sent by U.S. Priority Mail Express, U.S. Certified Mail (return receipt requested), or a third-party delivery service, then the date of actual delivery.

(C) A notice deemed received by an Authorized Agent(s) shall constitute delivery to the Pension Fund.



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Section 11. Amendment of Transfer Date.

(A) FPIF reserves the right to amend and delay the Transfer Date of a Pension Fund in the event that financial and fiduciary prudence dictates a delay in the transfer of assets. If financial and fiduciary prudence dictates a delay in the transfer of assets, FPIF shall send written notice, pursuant to Section 10 of this Rule, to the Authorized Agents of the Pension Fund.

Section 12. Conflicts.

(A) In the event of any conflict between this Rule and the provisions of Article 22C of the Illinois Pension Code, 40 ILCs 5/1-22C-101, *et seq.*, the latter shall prevail.