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**MINUTES OF A REGULAR MEETING OF THE
FIREFIGHTERS' PENSION INVESTMENT FUND
INVESTMENTS AND OPERATIONS COMMITTEE
FEBRUARY 24, 2022**

A regular meeting of the Firefighters' Pension Investment Fund of Illinois Investments and Operations Committee was held on Thursday, February 24, 2022 at 2:00 p.m. at the FPIF Headquarters located at 1919 S. Highland Avenue – Building A, Suite 237, Lombard, Illinois 60148 and via videoconference in accordance with Section 7(e) of the Illinois Open Meetings Act, pursuant to notice.

I. Call to Order

Chairman Bramwell called the meeting to order at 2:00 p.m.

II. Taking of the Roll

Robina Amato took the roll. Trustees George Schick, Herb Roach, and Chairman Bramwell were present, there were no absences.

Also present: Executive Director William Atwood, Chief Financial Officer David Zaloga, Portfolio Officer Mitchell Green, Chief Operating Officer Steve Zahn, Member Services Officer Robina Amato, Trustee Greg Knoll, FPIF Staff/Board of Trustees; Doug Oest, Marquette Associates; Mike Terzich, Northern Trust Transition Management

III. Approval of the December 8, 2021 Meeting Minutes

The Committee reviewed the December 8, 2021 meeting minutes. A motion was made by Trustee Roach and seconded by Trustee Schick to approve the December 8, 2021 meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Schick, Roach and Chairman Bramwell
NAYS: None
ABSENT: None

IV. Consideration and Approval – Consolidated FPIF Rules

Attorney Holzrichter presented the consolidated FPIF rules to the Committee and highlighted all areas of amendments. Attorney Holzrichter noted the benefits of consolidating all rules for transparency to stakeholders and to increase consistency. A motion was made by Trustee Schick and seconded by Trustee Roach to consolidate all current FPIF rules and policies into a single consolidated document. Motion carried by roll call vote.

AYES: Trustees Schick, Roach and Chairman Bramwell
NAYS: None
ABSENT: None

V. Report of the Portfolio Officer

Matters Pertaining to Existing Managers – Mr. Green informed the Committee that State Street Global Advisor's Chief Executive Officer has announced his retirement later this year. Mr. Green also informed the Committee that Marquette Associates' Managing Partner and Director of Fixed Income is no longer with the firm and a permanent replacement is not yet named.

Update Pertaining to the Consolidation of Article 4 Pension Funds – Mr. Green provided an update to the Committee that a total of 253 funds have successfully transitioned into the FPIF portfolio for a total net asset value of \$6.8 billion. On a cumulative basis, the weighted average fee of the mutual funds received was 36 basis points and FPIF has reduced that fee by 91%.

Investment Performance Review – Mr. Green provided current market commentary for the Committee and reported a 4.1% fourth quarter return versus a benchmark of 4.4%. Mr. Green commented on the mid-month cash flow during the transition process having an impact on the performance dispersion to the policy benchmark.

Transaction Cost Analysis – Mr. Green reviewed the transaction cost analysis specific to the October transition and presented both the equity and fixed income cost analysis results to the Committee.

VI. Presentation by Northern Trust Transition Management

Post Trade Review - Mr. Terzich provided insight to the Committee on efficiencies gained with Northern Trust Transition Management as the transition continues to progress with each tranche. Mr. Terzich provided additional detail to the December 2021 transition and the complexities with a shortened transition timeline due to the Holiday schedule similar to the November tranche.

VII. Presentation by Marquette Associates

Quarterly Performance Report as of December 31, 2021 – Mr. Oest presented the December 31, 2021 monthly performance report to the Committee. As of December 31, 2021, the FPIF asset allocation is as follows: 29.4% fixed income, 64.8% equities, and 5.3% real estate. The total market value as of December 31, 2021 is \$2,866,355,308 with a three-month return of 4.1% versus the policy benchmark of 4.4%.

Active v. Passive in Fixed Income – Mr. Oest presented key differences between a passive and active management strategy for the Committee and how each strategy may be value added to the portfolio.

VIII. Discussion – FPIF Office Update

Director Atwood informed the Board that FPIF Staff is working with the current property manager to incorporate conference room updates to better accommodate the Board of Trustees during Committee and Board Meetings. Further updates will be provided as they become available.

IX. Next Meeting Date

The Committee noted the next scheduled meeting of the Investments and Operations Committee is scheduled for April 28, 2022 at 2:30 p.m.

X. Other Business

There was no other business to come before the Committee.

XI. Public Comment

There was no request for public comment.

XII. Adjournment

A motion was made by Trustee Schick and seconded by Trustee Roach to adjourn the meeting at 3:14 p.m. Motion carried by roll call vote.

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AYES: Trustees Schick, Roach and Chairman Bramwell
NAYS: None
ABSENT: None