



To: Illinois Firefighters Pension Investment Fund
 From: Marquette Associates, Inc.
 Date: April 29, 2022
 Re: GASB 67/68 Disclosures

The Illinois Firefighters Pension Investment Fund (“IFPIF”), in accordance with GASB Statement 67/68, has implemented the following interim and long-term asset allocation policies. Marquette Associates (“Marquette”), acting as IFPIF’s general investment consultant has projected the future long-term return assumptions for the asset classes within FPIF’s approved policies.

	Interim Asset Allocation (%)	Interim Ranges (%)	Expected Rate of Return Assumption (%)	Real Rate of Return Assumption (%)
Equity				
U.S. Equity	36	+/- 5	7.7	5.2
Developed Market Equity (non-US)	19	+/- 4	7.6	5.1
Emerging Market Equity	10	+/- 3	8.0	5.5
Private Equity	0	+/- 5	11.1	8.6
Fixed Income				
Public Credit	3	+/- 1	4.3	1.8
Private Credit	0	+/- 5	9.5	7.0
Cash Equivalents	0	+/- 3	1.9	-0.6
Core Investment Grade Bonds	21	+/- 3	4.1	1.6
Long-Term Treasuries	3	+/- 1	3.8	1.3
TIPS	3	+/- 1	3.3	0.8
Real Assets				
Real Estate	5	+/- 2	7.4	4.9
Infrastructure	0	+/- 5	7.6	5.1

	Long-Term Asset Allocation (%)	Long-Term Ranges (%)	Expected Rate of Return Assumption (%)	Real Rate of Return Assumption (%)
Equity				
U.S. Equity	31	+/- 10	7.7	5.2
Developed Market Equity (non-US)	16	+/- 7	7.6	5.1
Emerging Market Equity	8	+/- 5	8.0	5.5
Private Equity	5	+/- 5	11.1	8.6
Fixed Income				
Public Credit	3	+/- 1	4.3	1.8
Private Credit	5	+/- 5	9.5	7.0
Cash Equivalents	0	+/- 3	1.9	-0.6
Core Investment Grade Bonds	15	+/- 9	4.1	1.6
Long-Term Treasuries	3	+/- 1	3.8	1.3
TIPS	4	+/- 2	3.3	0.8
Real Assets				
Real Estate	5	+/- 2	7.4	4.9
Infrastructure	5	+/- 5	7.6	5.1

The projected future expected returns of the asset classes shown above are based on a Monte Carlo simulation of macroeconomic factors, which are used to model monthly return outcomes of capital markets. The simulations are created by an economic scenario generator ("ESG"), which is the driving force behind Marquette's asset allocation model. The economic scenario generator simulates the future performance of the capital markets and macro-economy; the underlying models are calibrated based on the long-term historical record, so that they will reproduce the kinds of volatility and stress scenarios that have been observed over the 20th and 21st centuries. The models are linked and correlated so that the behavior of different asset classes and economic variables is consistent within each random scenario. The asset allocation projections presented in this memo are based on December 31, 2021 data. Marquette's asset allocation model is updated on a quarterly basis.

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