Quarterly Report

Prepared by

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Hoffman Estates Firefighters Pension Fund

3rd Quarter 2014

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3Q2014	Per MVT recommendation and board approval at the Q2 meeting; the following rebalancing took place, starting on July 11th: William Blair (Fixed Income) +1,012,885 Rothschild (Large Value) + 856,653 Artisan Midcap Value Fund (707,007) Vanguard Growth Index Signal (672,374) Baird Midcap Institutional (780,508) Vanguard Explorer Admiral Shares (727,790) Adelante (REIT) + 1,018,140 UMB Scout International (terminated) Artisan Intl Value Fund + 4,127,405 Per MVT recommendation and board approval at the Q2 meeting; the target for the Blair fixed income portfolio was changed from the Barclays Intermediate Aggregate, to the Barclays Aggregate. The Investment Policy was changed to reflect that amendment. The Investment Policy was amended and is prepared for possible approval. Hosted a pension trustee training conference at U.S. Cellular. Attended and spoke at the Illinois Public Pension Advisory Committee conference in St. Charles. Met with manager firms Artisan, Baird, Neuberger Berman, Nuveen, BMO, Alliance Bernstein, MFS, Pioneer, Wisdom Tree Attended custodian training events at both Schwab and TD Ameritrade.
2Q2014	MVT was selected as the consultants for both the Moline Police and Moline Fire Pension funds. Planned for the pension trustee conference on August 16th, at U.S. Cellular. Attended and spoke at the Illinois Public Pension Advisory Committee's spring conference. Attended and spoke at the Illinois City/County Managers Association conference. Attended the annual investor conference of Warren Buffet's Berkshire Hathaway. Met with manager firms Baird, Pioneer Funds, Mirae Asset Management, T-Rowe Price, Principal Group, Goldman Sachs, Heartland Advisors, Artisan Partners, Neuberger Berman. Attended due diligence meetings with American Funds,at their headquarters.

	Attended the Chicago and Champaign, IL - IICLE Annual Estate Planning conferences. Emily Agosto passed another part of the Illinois CPA exam (two down, two to go). Attended a TD Ameritrade event in Indianapolis, IN.
1Q2014	We continued to discuss the investment policy statement with Board attorney, Barbara Bell. We met in our offices with your managers: Heartland Value, Scout International, Vanguard, and Oakmark International. We attended the two-day Morningstar/Ibbotson economic conference; and met with the T.Rowe Price management team. We attended the TD Ameritrade conference in January and met with several managers. We hosted a Woman's Investment Seminar. All members of our firm attended a mandatory internal compliance conference. Attended the IGFOA conference. Met with managers from Causeway Capital, WisdomTree, Nuveen, Ivy Funds, and Cohen&Steers. We are planning the trustee training event again for US Cellular. The date is currently planned for August 16th and does offer 8 hours of training credit.
4Q2013	The names on all of the accounts have been updated to show President Robert Orr, SecretaryMatthew Fijalkowski, Finance Director Rachel Musiala, and Treasurer Stan Helgerson. Our firm has now been verified as "GIPS compliant" by outside accounting firm Ashland Partners. We presented at the annual AFFI Pension conference in Bloomington. We presented at the IPPAC seminar. We had due diligence meetings with T.Rowe Price at their headquarters. We attended the Schwab Annual Conference in Washington DC. We had investment presentations from Wisdom Tree, Skyline, Invesco, Ivy Funds,

	Goldman Sachs, DWS, and Nuveen. Emily Agosto, from our staff, passed the first portion of the CPA exam. Our Compliance Officer, Dwight Ower attended the National Regulatory compliance conference to maintain his certifications.
3Q2013	As per our discussion at the last meeting, we have updated the target allocation to match the state statute of 65% maximum allocation to non-fixed investments and minimum 35% to fixed investments. Due to the management changes at T Rowe Price we sold the remaining half of New America fund and replaced with the Vanguard Growth index fund. We transferred over $300k to the Village to meet the minimum cash balance in the investment policy. We presented at the St. Charles IPPAC pension conference. We attended a meeting with the regional executives from Charles Schwab. We had discussions with our fixed income analytics product team from Bond Edge. We had due diligence meetings with Artisan and Heartland. We had investment presentations from DWS, Neuberger Berman, Invesco, Goldman Sachs, Van Eck, WisdomTree, and Skyline. Yocius has been named a board member at the Illinois Fire Safety Alliance.
2Q2013	Discussed with Rachel Musiala, the minimum cash requirements for the fund. The monthly pension amount is $280,000. We agreed that $600,000 should be the minimum in the cash account and the maximum should be $1,000,000. We transferred $4 million from the Blair fixed income account and moved it to the equity account(s) to move closer to our target of 60% equity and 40% fixed. Due to some management changes at T Rowe Price we replaced one-half of the New America fund with a lower cost index fund (Vanguard Growth). We moved into the institutional class of funds for Columbia (Acorn International), Heartland (Heartland Value) and Vanguard (Explorer). We sponsored a training event that included speakers from the State of Illinois (John Sinsheimer), Rothschild (Chris Travers), JudsonUniversity (Michelle Kilbourne), Baird (Tom Gavin), Heartland (Jeff Kohl), Goldman Sachs (David Gonzalez) as well as Project CURE and several MVT speakers.

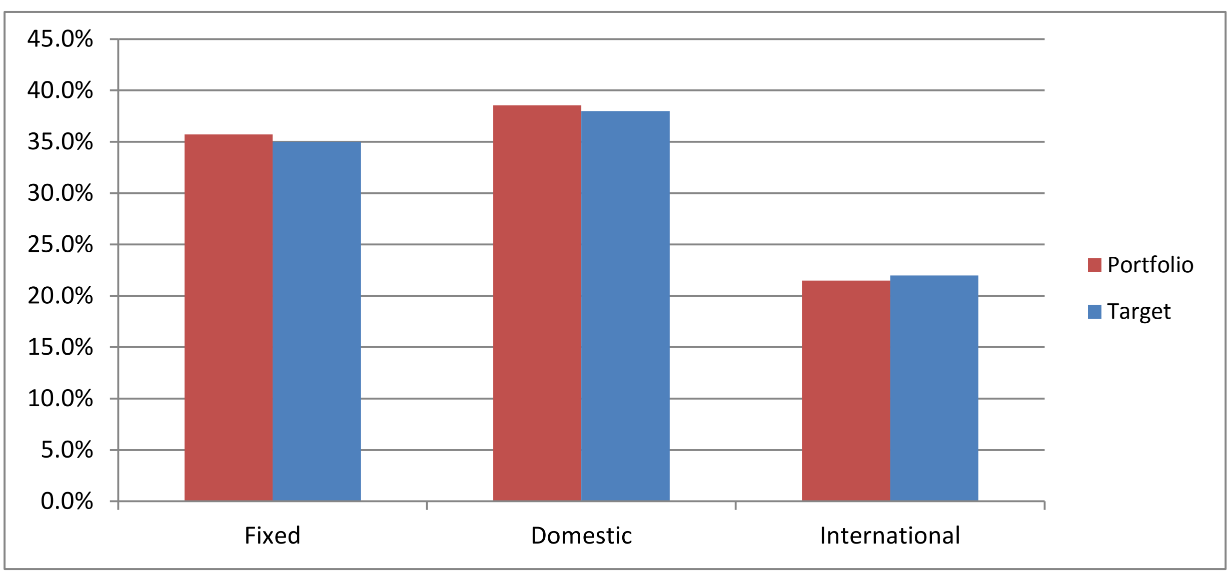
	We attended the Pioneer annual conference. We had due diligence meetings with Baird, Vanguard, American Funds, T Rowe Price, and Blair. We attended presentations by the portfolio managers for Artisan International fund and the Heartland Value fund. We also had due diligence meetings with potential management teams from Managers Investments and MFS. Attended and presented at the Illinois Public Pension Advisory Committee (IPPAC) conference.
1Q2013	Increased the total equity percent from 52% (end of January) to 56% (now). Strategy is to move overall equity allocation to 65% by investing new tax receipts in equity and moving additional money from the Blair fixed income account. We had due diligence meetings with the management team of your large cap manager Rothschild, at their New York headquarters. We had due diligence meetings with WisdomTree, Clearbridge/Legg Mason, Neuberger Berman, Columbia, and Goldman Sachs in our office. We had a meeting with the senior management of Charles Schwab, your custodian, to discuss some of the concerns we had with the new account and transfer process for Hoffman Estates. We attended the two-day Morningstar/Ibbotson economic conference. We attended the TD Ameritrade conference in January and met with many of your managers. All members of our firm attended a mandatory internal compliance conference. We moved one step closer to GIPS verification of our firm. New account performance start dates are as follows: Blair: 1/31/2013 Rothschild: 1/31/2013 Adelante: 1/31/2013 Using the current Investment Policy as a guide, the Hoffman Firefighters Target includes 60% Equity Blend plus 40% Barclays Intermediate Aggregate. The Equity blend includes 35% SP500, 20% MSCI EAFE, and 5% Wilshire REIT index.
4Q 2012	As of the end of December, 2012 all of the new accounts have been setup and all

	former US Bank account positions have been transferred. There are five accounts now established for the Pension fund. Four are separate account managers namely; Mitchell, Vaught & Taylor (fixed income-government), William Blair (fixed income-aggregate), Rothschild (equity-large value), and Adelante (equity-real estate). The remaining account contains all of the allowable equity mutual funds. The balances of each are included in the asset allocation report.

Hoffman Estates Firefighters Pension Fund
Portfolio Asset Allocation
3rd Quarter 2014

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Manager Summary	Actual	%	Target	Difference
Fixed	**24,604,715**	**35.7%**	**35.0%**	485,665
William Blair Aggregate Bond	17,489,661	25.4%		
MVT Core Government	7,076,912	10.3%		
Cash	38,142	0.1%		
Equity	**44,306,856**	**64.3%**	**65.0%**	(485,665)
Domestic	**26,568,342**	**38.6%**	**38.0%**	381,945
Russell 3000 IShare	9,490,615	13.8%		
Hoffman Estates Fire Rothschild LV	6,604,091	9.6%		
T Rowe Price Health	2,924,125	4.2%		
Artisan Midcap Value Fd	2,345,854	3.4%		
Vanguard Growth Admiral	2,130,858	3.1%		
Baird Midcap Institutional	1,361,366	2.0%		
Heartland Value Institutional	1,057,655	1.5%		
Vanguard Explorer Admiral Shares	653,779	0.9%		
Real Estate	**2,927,311**	**4.2%**	**5.0%**	(518,267)
Adelante (REIT)	2,927,311	4.2%		
International	**14,811,203**	**21.5%**	**22.0%**	(349,343)
Oakmark International	4,868,269	7.1%		
UMB Scout International	-	0.0%		
Artisan Intl Value Fund	4,706,194	6.8%		
Oppenheimer Developing Markets Instl	2,694,208	3.9%		
Columbia Acorn International Institutioı	2,542,532	3.7%		
Total Pension Fund	**68,911,571**			

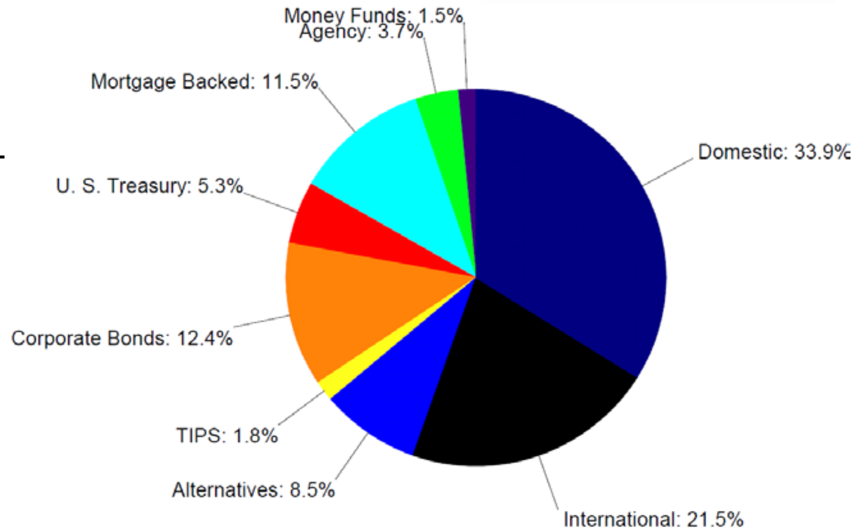


Hoffman Estates Firefighters Pension Fund
Executive Summary
3rd Quarter 2014

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Activity Summary this Quarter

Beginning Value:	$	70,239,382
Contribute & Withdraw:	$	(11,288)
Net Investment Gain:	$	(1,316,523)
Ending Value:	$	68,911,571
Consulting Fee:	$	11,475
Income	$	402,633



Since: 12/31/2012

Cumulative Return:		19.81%
Annualized Net Return:		10.89%
Net Investment Gain:	$	8,294,438

Net Performance this Quarter

Fixed Income	-0.41%	$ (96,126)
Equities	-2.67%	$ (1,220,397)
Total Fund	-1.89%	$ (1,316,523)
Target	-1.02%	

Portfolio Strengths

Fixed - The rate on the 10 year US Treasury continues to be range bound, although now from a slightly lower level (2.33 - 2.65%). As a result, the biggest difference in performance was duration; with the longer maturity bonds continuing to slightly outperform the shorter ones. By sector, the mortgage-backed and municipal issues tended to perform a bit better because of their slightly higher yield.

Equity - In general, the U.S. equity markets ended the quarter slightly lower. After a very strong August, some of those returns reversed in September. The T Rowe Health Care fund had another superb quarter. By style, the value sector tended to outperform growth and by size, the larger caps did better than mid and small caps.

Weaknesses

Fixed - Fixed income was very range bound during the quarter. As a result the shorter duration index underperformed the longer duration index by a mere 28 basis points. All the remaining sectors (i.e. corporates, mortgages) fell in between those two.

Equity - Continuing the trend from the second quarter, the small and mid cap domestic sectors are lagging their large cap counterparts. Also, weakness in Europe put a damper on most of the international funds.

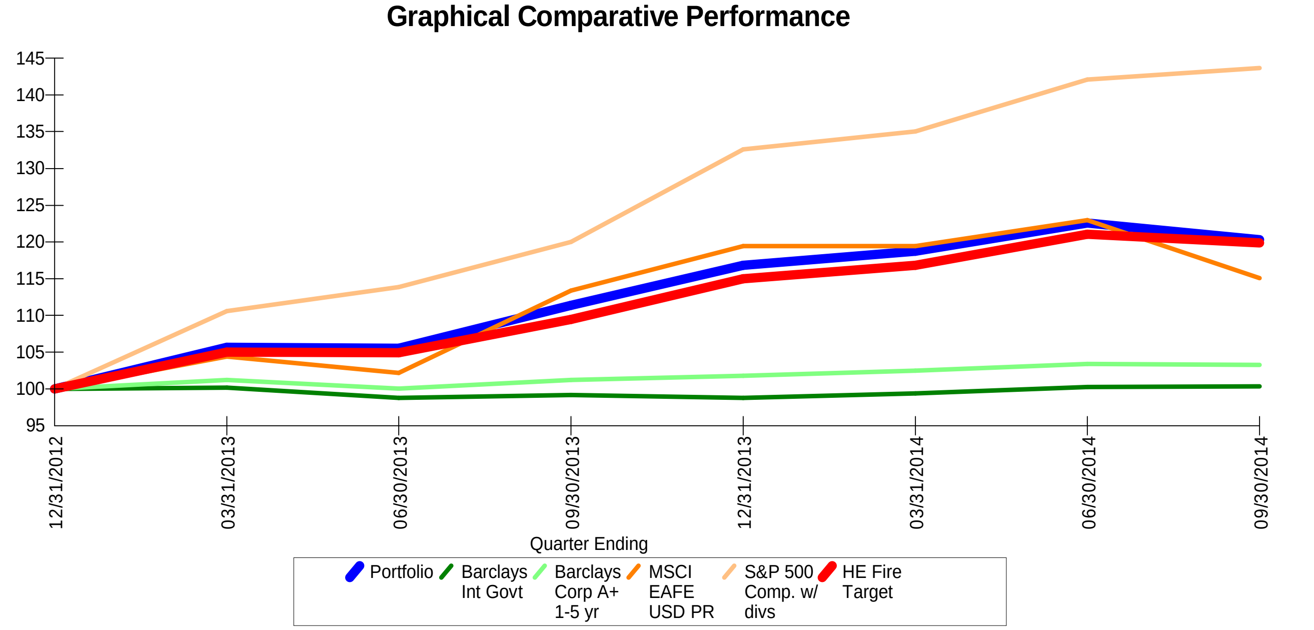
Strategies

Portfolio - We continue to see the pace of the global economy slowing a bit. Europe is showing slightly negative growth and in the US economy, leading indicators such as housing starts point to a slower domestic sector as well. Our strategy continues to be slightly overweighting quality corporates (for income) and keeping portfolio fixed income duration close to benchmark duration. In equities, the slower global growth economy has us favoring dividend paying value equities over growth sector issues and selective tactical investments such as health care and REIT's.

October 8, 2014

Portfolio Performance Review

Hoffman Estates Firefighters Pension Fund



Total Portfolio	**Q3**	**YTD**	**1 Yr**	**Q2**	**Jul**	**Aug**	**Sep**	**Incept**
Time Weighted (gross)	-1.8	3.0	8.0	3.2	-1.5	2.2	-2.5	11.2
Barclays Int Govt	0.0	1.6	1.1	0.9	-0.3	0.6	-0.3	0.2
Barclays Corp A+ 1-5 yr	-0.1	1.4	2.0	0.9	-0.1	0.4	-0.4	1.9
S&P 500 Comp. w/ divs	1.1	8.3	19.7	5.2	-1.4	4.0	-1.4	23.0
MSCI EAFE USD PR	-6.4	-3.6	1.5	2.9	-2.0	-0.4	-4.1	8.4
Wilshire US REIT Index	-3.1	14.5	13.5	7.2	0.1	2.8	-5.8	9.2
HE Fire Target	-1.0	4.1	9.0	3.4	-1.0	1.8	-1.8	10.9
Time Weighted (net)	-1.9	2.8	7.7	3.1	-1.6	2.2	-2.5	10.9
Barclays Int Govt	0.0	1.6	1.1	0.9	-0.3	0.6	-0.3	0.2
Barclays Corp A+ 1-5 yr	-0.1	1.4	2.0	0.9	-0.1	0.4	-0.4	1.9
S&P 500 Comp. w/ divs	1.1	8.3	19.7	5.2	-1.4	4.0	-1.4	23.0
MSCI EAFE USD PR	-6.4	-3.6	1.5	2.9	-2.0	-0.4	-4.1	8.4
Wilshire US REIT Index	-3.1	14.5	13.5	7.2	0.1	2.8	-5.8	9.2
HE Fire Target	-1.0	4.1	9.0	3.4	-1.0	1.8	-1.8	10.9

Returns for periods exceeding 12 months are annualized

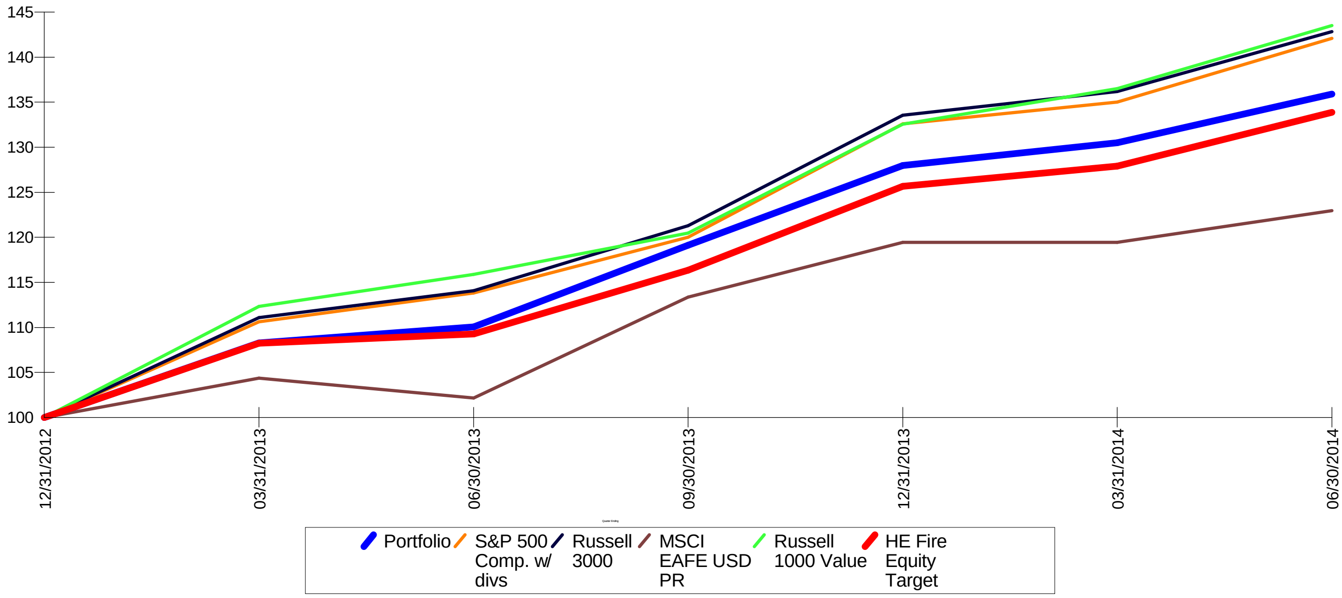
This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction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

October 7, 2014

Portfolio Performance Review

Hoffman Estates Equity

Graphical Comparative Performance



Total Portfolio	Q3	YTD	1 Yr	Q2	Jul	Aug	Sep	*Incept
Time Weighted (gross)	-2.6	3.4	11.1	4.1	-2.2	3.1	-3.4	17.4
S&P 500 Comp. w/ divs	1.1	8.3	19.7	5.2	-1.4	4.0	-1.4	23.0
Russell 3000	0.0	7.0	17.8	4.9	-2.0	4.2	-2.1	22.6
MSCI EAFE USD PR	-6.4	-3.6	1.5	2.9	-2.0	-0.4	-4.1	8.4
Russell 1000 Value	-0.2	8.1	18.9	5.1	-1.7	3.7	-2.1	22.8
HE Fire Equity Target	-1.7	4.9	13.1	4.6	-1.5	2.4	-2.7	17.2
Time Weighted (net)	-2.7	3.3	10.9	4.1	-2.2	3.1	-3.4	17.2
S&P 500 Comp. w/ divs	1.1	8.3	19.7	5.2	-1.4	4.0	-1.4	23.0
Russell 3000	0.0	7.0	17.8	4.9	-2.0	4.2	-2.1	22.6
MSCI EAFE USD PR	-6.4	-3.6	1.5	2.9	-2.0	-0.4	-4.1	8.4
Russell 1000 Value	-0.2	8.1	18.9	5.1	-1.7	3.7	-2.1	22.8
HE Fire Equity Target	-1.7	4.9	13.1	4.6	-1.5	2.4	-2.7	17.2

* Return since inception date of 12/31/2012

Returns for periods exceeding 12 months are annualized

Mitchell, Vaught & Taylor Inc. Investment Advisors

14q3 Hoffman Estates Equity v. Target

Portfolio Hoffman Estates Equity | **Benchmark** Target - Hoffman Equity | **Currency** US Dollar

Attribution Detail 7/1/2014 to 9/30/2014

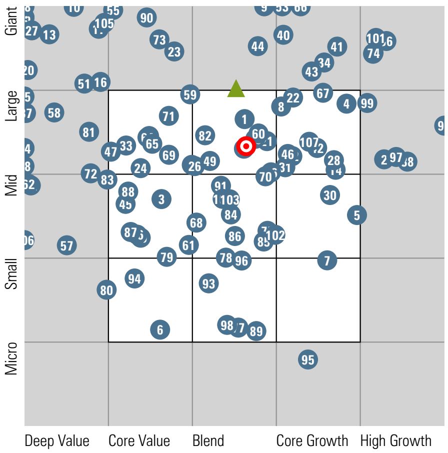
		Allocation %			Gross Return %			Contribution %			Attribution Effects %			
Name	Benchmark	Actual	Policy	+/-	Port	B-mark	+/-	Port	B-mark	+/-	Sector Allocation	Mgr Selection	Mgr B-mark Misfit	Active Ret
Alternative	**Wilshire US REIT TR USD**	**6.62**	**8.33**	**-1.71**	**-1.78**	**-3.07**	**1.29**	**-0.12**	**-0.25**	**0.13**	**0.02**	**0.09**	**0.00**	**0.10**
Hoffman Estates Fire Adelante	Wilshire US REIT TR USD	6.62	—	—	-1.78	-3.07	1.29	-0.12	0.00	-0.12	—	0.09	0.00	0.09
CASH	**USTREAS T-Bill Auction Ave 3 Mon**	**0.00**	**0.00**	**0.00**	**0.01**	**—**	**—**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
USTREAS T-Bill Auction Ave 3 Mon	USTREAS T-Bill Auction Ave 3 Mon	0.00	—	—	0.01	0.01	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00
Domestic	**S&P 500 TR USD**	**59.97**	**58.33**	**1.64**	**-0.35**	**1.13**	**-1.48**	**-0.21**	**0.67**	**-0.88**	**0.02**	**-0.13**	**-0.78**	**-0.89**
Artisan Mid Cap Value Investor	Russell Mid Cap Value TR USD	5.29	—	—	-4.10	-2.65	-1.46	-0.22	0.00	-0.22	—	-0.09	-0.20	-0.29
Baird MidCap Inst	Russell Mid Cap Growth TR USD	3.07	—	—	-1.54	-0.73	-0.81	-0.05	0.00	-0.05	—	-0.03	-0.06	-0.09
Heartland Value Plus Inst	Russell 2000 Value TR USD	2.39	—	—	-10.13	-8.58	-1.55	-0.26	0.00	-0.26	—	-0.05	-0.25	-0.29
Hoffman Estates Fire Rothschild LV	Russell 1000 Value TR USD	14.95	—	—	-0.75	-0.19	-0.56	-0.11	0.00	-0.11	—	-0.08	-0.19	-0.27
iShares Russell 3000	Russell 3000 TR USD	21.40	—	—	0.03	0.01	0.01	0.00	0.00	0.00	—	0.00	-0.23	-0.23
T. Rowe Price Health Sciences	DJ US Health Care TR USD	6.59	—	—	7.45	5.11	2.34	0.45	0.00	0.45	—	0.12	0.24	0.36
Vanguard Explorer Adm	Russell 2000 Growth TR USD	1.47	—	—	-4.55	-6.13	1.58	-0.07	0.00	-0.07	—	0.02	-0.11	-0.09
Vanguard Growth Index Adm	Russell 1000 Growth TR USD	4.81	—	—	1.08	1.49	-0.41	0.05	0.00	0.05	—	-0.02	0.02	0.00
International	**MSCI EAFE PR USD**	**33.40**	**33.33**	**0.07**	**-6.06**	**-6.39**	**0.33**	**-2.10**	**-2.18**	**0.07**	**-0.05**	**-0.44**	**0.46**	**-0.02**
Artisan International Value Investor	MSCI ACWI Ex USA NR USD	10.61	—	—	-6.30	-5.27	-1.03	-0.70	0.00	-0.70	—	-0.15	0.13	-0.02
Columbia Acorn International R5	MSCI World ex USA PR USD	5.73	—	—	-7.06	-6.25	-0.82	-0.43	0.00	-0.43	—	-0.06	0.01	-0.05
Oakmark International I	MSCI ACWI Ex USA NR USD	10.98	—	—	-6.80	-5.27	-1.53	-0.78	0.00	-0.78	—	-0.21	0.14	-0.08
Oppenheimer Developing Markets Y	MSCI EM NR USD	6.08	—	—	-3.27	-3.49	0.22	-0.20	0.00	-0.20	—	-0.01	0.19	0.18
Total		**100.00**	**100.00**	**0.00**	**-2.43**	**-1.76**	**-0.67**	**-2.43**	**-1.76**	**-0.67**	**-0.01**	**-0.48**	**-0.31**	**-0.80**

Hoffman Estates Domestic

Portfolio Aggregation

Data as of	Currency	Risk-Free Rate	Benchmark
9/30/2014	USD	USTREAS T-Bill Auction Ave 3 Mon	S&P 500 TR USD

Equity Style Box



Style Breakdown	Portfolio %	Benchmark %
Large Value	20.07	29.19
Large Core	22.06	29.21
Large Growth	21.39	28.88
Mid Value	8.40	4.96
Mid Core	8.88	4.70
Mid Growth	8.56	3.06
Small Value	3.41	0.00
Small Core	4.08	0.00
Small Growth	3.16	0.00
Large Cap	63.52	87.28
Mid-Small Cap	36.48	12.73
Value	31.89	34.15
Core	35.01	33.91
Growth	33.10	31.94

Portfolio Portfolio Constituents Benchmark

Top 10 Constituents

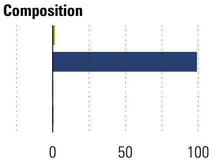
		% Weighting
1	iShares Russell 3000	32.52
2	T. Rowe Price Health Sciences	10.02
3	Artisan Mid Cap Value Investor	8.04
4	Vanguard Growth Index Adm	7.30
5	Baird MidCap Inst	4.66
6	Heartland Value Plus Inst	3.62
7	Vanguard Explorer Adm	2.24
8	Simon Property Group Inc	1.27
9	Johnson & Johnson	0.82
10	Wells Fargo & Co	0.81

Portfolio Statistics

Style Box Value Factors	Portfolio	Benchmark
Price/Prospective Earnings	20.47	17.06
Price/Book	2.79	2.39
Price/Sales	2.43	1.70
Price/Cash Flow	10.66	7.48
Dividend Yield %	2.03	2.29
Style Box Growth Factors		
Long-Term Earning Growth %	10.56	9.93
Historical Earnings Growth %	12.48	8.01
Book Value Growth %	7.64	7.49
Sales Growth %	0.82	3.06
Cash Flow Growth %	13.63	6.32
Equity Valuation Price Multiples		
Price to Earnings	19.62	18.42
Price to Book Value	2.52	2.63
Price to Sales	1.61	1.75
Price to Cash Flow	11.71	11.24
Financial Ratios		
ROE %	16.62	20.97
ROA %	6.09	8.18
Net Margin %	13.16	14.12
Debt to Capital %	36.56	35.89
Fixed Income Style		
Avg Eff Duration	—	—
Avg Eff Maturity	—	—
Avg Credit Quality	—	—
Avg Wtd Coupon	—	—
Avg Wtd Price	—	—
Misc		
% Market Value in Top 10 Holdings	71.31	17.82
Average Expense Ratio	0.47	—

Portfolio Overview

Composition



	Portfolio %	Benchmark %
Cash	1.07	0.00
Stock	98.84	100.00
Bond	0.00	0.00
Other	0.09	0.00
Total	100.00	100.00

World Region Breakdown	Portfolio %	Benchmark %
Americas	98.03	99.91
North America	97.94	99.91
Latin America	0.10	0.00
Greater Europe	1.79	0.09
United Kingdom	0.42	0.00
Europe Developed	1.16	0.09
Europe Emerging	0.00	0.00
Africa/Middle East	0.21	0.00
Greater Asia	0.17	0.00
Japan	0.08	0.00
Australasia	0.02	0.00
Asia Developed	0.02	0.00
Asia emerging	0.06	0.00

Top 10 Country Breakdown	Portfolio %	Benchmark %
United States	97.34	99.91
Ireland	0.75	0.03
Canada	0.55	0.00
United Kingdom	0.42	0.00
Israel	0.15	0.00
Switzerland	0.13	0.06
Netherlands	0.12	0.00
Japan	0.08	0.00
Other Countries	0.07	0.00
Germany	0.07	0.00

Equity Sector Breakdown	Portfolio %	Benchmark %
Cyclical	37.96	30.39
Basic Matls	2.73	3.30
Cons Cyclical	10.21	10.22
Financial Svcs	13.34	14.95
Real Estate	11.68	1.92
Sensitive	35.81	42.78
Comm Svcs	2.47	4.03
Energy	8.36	9.70
Industrials	11.04	11.02
Technology	13.93	18.02
Defensive	26.23	26.83
Cons Defensive	5.27	9.52
Healthcare	18.57	14.32
Utilities	2.40	3.00

Fixed-Income Sector Breakdown	Portfolio %	Benchmark %
Government	0.00	—
Municipal	0.00	—
Corporate	0.16	—
Securitized	0.00	—
Cash and Cash Equivalents	99.84	—
Derivative	0.00	—

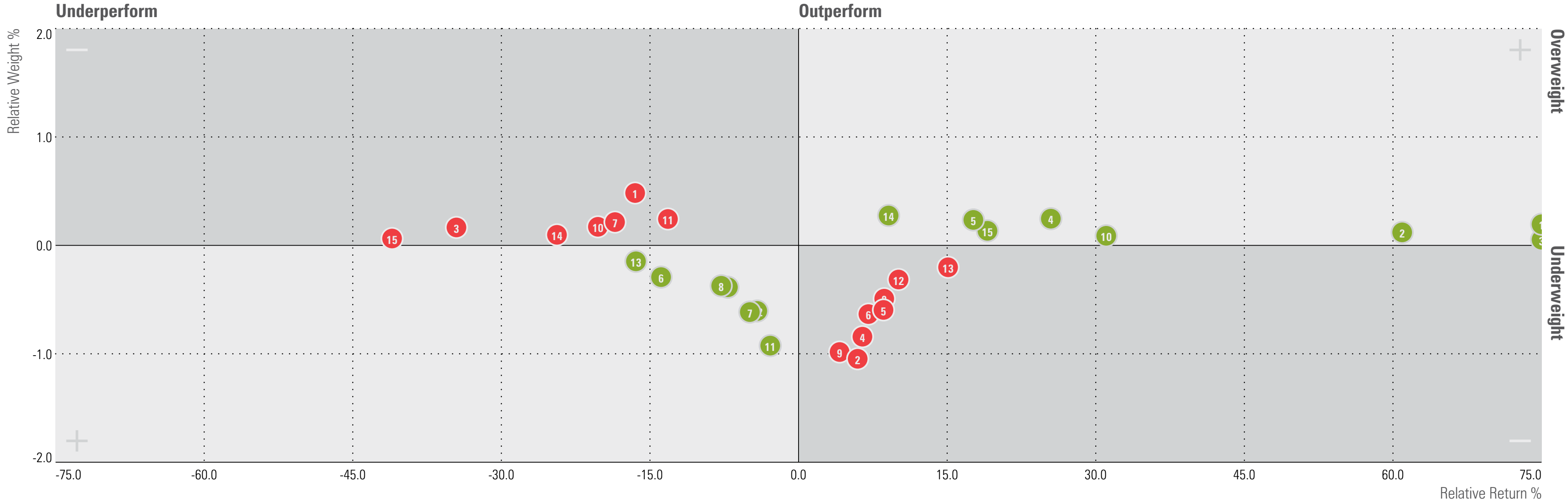
Credit Rating Breakdown	Portfolio %	Benchmark %
AAA	—	—
AA	—	—
A	—	—
BBB	—	—
BB	—	—
B or Below B	—	—
Not Rated	—	—

Hoffman Estates Domestic S&P 500 TR USD

Portfolio	Benchmark	Currency
Hoffman Estates Domestic	S&P 500 TR USD	US Dollar

Attribution Security Selection Effects 7/1/2014 to 9/30/2014

Morningstar Sector - Attribution Security Selection Effects



#	Best Selections	Morningstar Sector	Weight +/-	Return +/-	Effect
1	Puma Biotechnology Inc	Healthcare	0.20	256.04	0.18
2	InterMune Inc	Healthcare	0.12	60.93	0.11
3	AVANIR Pharmaceuticals Class A	Healthcare	0.05	105.91	0.06
4	Pharmacyclics Inc	Healthcare	0.25	25.47	0.05
5	Marathon Petroleum Corp	Energy	0.23	17.64	0.04
6	Ford Motor Co	Consumer Cyclical	-0.29	-13.88	0.04
7	Pfizer Inc	Healthcare	-0.62	-4.92	0.03
8	Medtronic Inc	Healthcare	-0.37	-7.81	0.03
9	United Technologies Corp	Industrials	-0.39	-7.13	0.03
10	Concur Technologies Inc	Technology	0.09	31.06	0.03
11	Johnson & Johnson	Healthcare	-0.92	-2.86	0.03
12	Vornado Realty Trust	Real Estate	-0.60	-4.17	0.03
13	Eaton Corp PLC	Industrials	-0.15	-16.41	0.03
14	Marriott International Inc Class A	Consumer Cyclical	0.28	9.09	0.02
15	Skyworks Solutions Inc	Technology	0.13	19.07	0.02

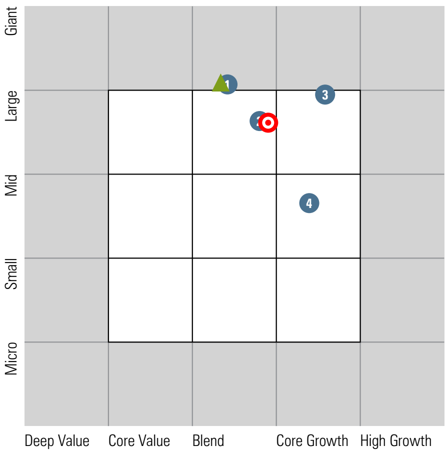
#	Worst Selections	Morningstar Sector	Weight +/-	Return +/-	Effect
1	ManpowerGroup	Industrials	0.48	-16.50	-0.08
2	American Tower Corp	Real Estate	-1.05	5.97	-0.06
3	Rite Aid Corp	Consumer Defensive	0.17	-34.54	-0.06
4	Berkshire Hathaway Inc Class B	Financial Services	-0.84	6.45	-0.05
5	Bank of America Corporation	Financial Services	-0.60	8.57	-0.05
6	Microsoft Corp	Technology	-0.63	7.05	-0.04
7	Incyte Corp Ltd	Healthcare	0.21	-18.53	-0.04
8	Intel Corp	Technology	-0.49	8.65	-0.04
9	Apple Inc	Technology	-0.98	4.14	-0.04
10	Alkermes PLC	Healthcare	0.17	-20.26	-0.04
11	Arrow Electronics Inc	Technology	0.24	-13.19	-0.03
12	Union Pacific Corp	Industrials	-0.31	10.09	-0.03
13	Nike Inc Class B	Consumer Cyclical	-0.20	15.09	-0.03
14	Stone Energy Corp	Energy	0.10	-24.39	-0.03
15	Invacare Corp	Healthcare	0.06	-41.03	-0.03

Hoffman Estates International

Portfolio Aggregation

Data as of	Currency	Risk-Free Rate	Benchmark
9/30/2014	USD	USTREAS T-Bill Auction Ave 3 Mon	MSCI EAFE PR USD

Equity Style Box



Style Breakdown	Portfolio %	Benchmark %
Large Value	16.30	31.58
Large Core	26.63	33.25
Large Growth	33.74	26.49
Mid Value	6.07	3.26
Mid Core	6.15	3.15
Mid Growth	7.36	2.07
Small Value	0.75	0.20
Small Core	1.25	0.00
Small Growth	1.75	0.00
Large Cap	76.66	91.32
Mid-Small Cap	23.34	8.68
Value	23.12	35.04
Core	34.02	36.40
Growth	42.86	28.56

Portfolio   Portfolio Constituents   Benchmark

Top 10 Constituents

		% Weighting
1	Oakmark International I	32.87
2	Artisan International Value Investor	31.77
3	Oppenheimer Developing Markets Y	18.19
4	Columbia Acorn International R5	17.17

Portfolio Statistics

Style Box Value Factors	Portfolio	Benchmark
Price/Prospective Earnings	16.05	15.11
Price/Book	1.84	1.51
Price/Sales	1.28	0.98
Price/Cash Flow	7.84	6.22
Dividend Yield %	2.05	2.91
Style Box Growth Factors		
Long-Term Earning Growth %	11.62	9.89
Historical Earnings Growth %	4.08	0.04
Book Value Growth %	-2.76	-5.61
Sales Growth %	1.66	-9.27
Cash Flow Growth %	8.39	0.57

Equity Valuation Price Multiples		
Price to Earnings	17.94	15.82
Price to Book Value	1.90	1.57
Price to Sales	1.30	1.03
Price to Cash Flow	11.68	8.75

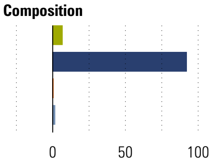
Financial Ratios		
ROE %	16.26	15.29
ROA %	7.53	5.83
Net Margin %	11.61	12.97
Debt to Capital %	30.85	33.85

Fixed Income Style		
Avg Eff Duration	—	—
Avg Eff Maturity	—	—
Avg Credit Quality	—	—
Avg Wtd Coupon	0.09	—
Avg Wtd Price	—	—

Misc		
% Market Value in Top 10 Holdings	100.00	13.14
Average Expense Ratio	1.03	—

Portfolio Overview

Composition



	Portfolio %	Benchmark %
Cash	6.50	0.01
Stock	91.88	99.51
Bond	0.25	0.00
Other	1.37	0.48
Total	100.00	100.00

World Region Breakdown	Portfolio %	Benchmark %
Americas	11.94	0.34
North America	7.00	0.30
Latin America	4.94	0.04
Greater Europe	57.62	66.29
United Kingdom	18.43	21.21
Europe Developed	35.29	44.48
Europe Emerging	1.85	0.00
Africa/Middle East	2.05	0.59
Greater Asia	30.44	33.37
Japan	10.87	21.08
Australasia	2.76	7.66
Asia Developed	6.76	4.40
Asia emerging	10.05	0.23

Top 10 Country Breakdown	Portfolio %	Benchmark %
United Kingdom	18.34	21.21
Japan	10.82	21.08
Switzerland	10.45	9.25
France	7.43	9.82
United States	4.79	0.30
Germany	4.66	8.39
China	4.58	0.01
Netherlands	4.34	2.70
India	2.98	0.00
South Korea	2.93	0.00

Equity Sector Breakdown	Portfolio %	Benchmark %
Cyclical	47.50	45.11
Basic Matls	4.48	8.25
Cons Cyclical	20.62	10.99
Financial Svcs	20.68	22.39
Real Estate	1.71	3.48
Sensitive	32.95	28.95
Comm Svcs	1.13	5.22
Energy	4.50	7.09
Industrials	14.19	11.25
Technology	13.12	5.38
Defensive	19.55	25.94
Cons Defensive	13.71	10.87
Healthcare	5.78	11.35
Utilities	0.06	3.72

Fixed-Income Sector Breakdown	Portfolio %	Benchmark %
Government	3.47	0.00
Municipal	0.00	0.00
Corporate	6.99	97.96
Securitized	0.00	0.00
Cash and Cash Equivalents	89.53	2.04
Derivative	0.00	0.00

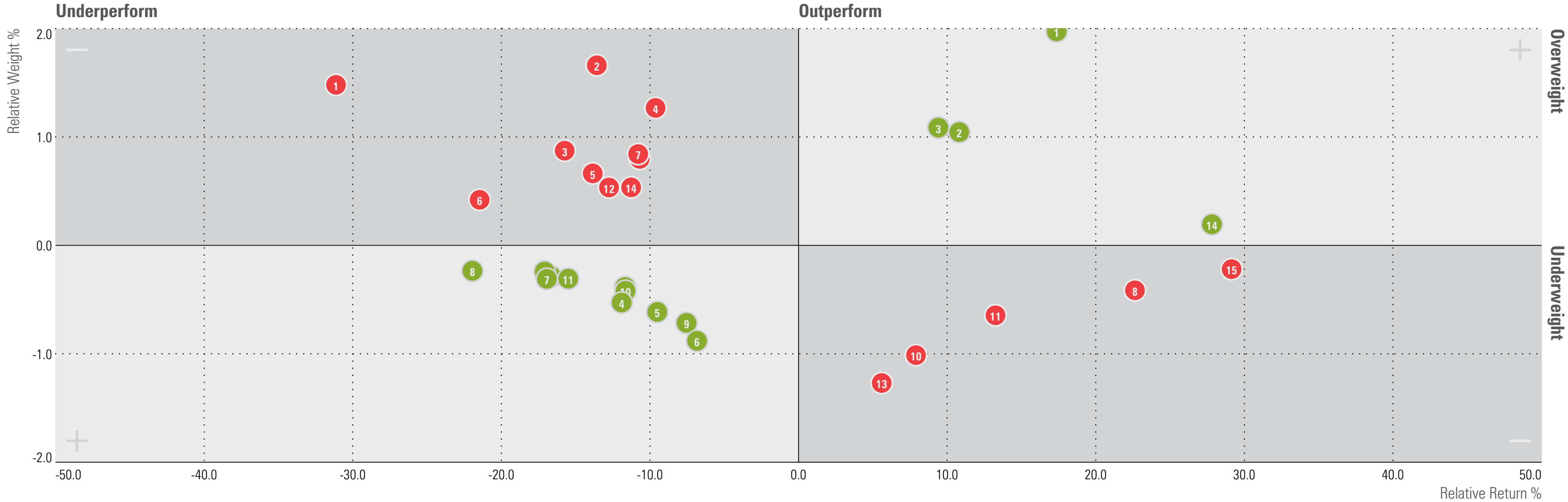
Credit Rating Breakdown	Portfolio %	Benchmark %
AAA	—	—
AA	—	—
A	—	—
BBB	—	—
BB	—	—
B or Below B	—	—
Not Rated	—	—

Hoffman Estates International v. EAFE

Portfolio	Benchmark	Currency
Hoffman Estates International	iShares MSCI EAFE	US Dollar

Attribution Security Selection Effects 7/1/2014 to 9/30/2014

Morningstar Sector - Attribution Security Selection Effects



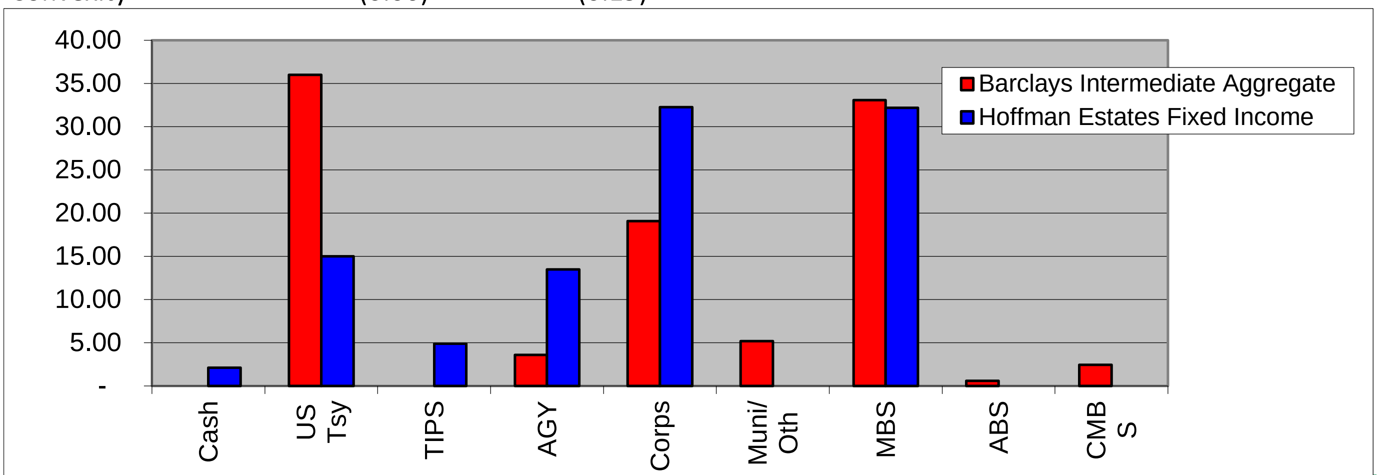
	Best Selections	Morningstar Sector	Weight +/-	Return +/-	Effect
1	Baidu Inc ADR	Technology	1.97	17.37	0.30
2	Royal Bank of Scotland Group (The) PLC	Financial Services	1.04	10.81	0.11
3	Reed Elsevier PLC	Consumer Cyclical	1.09	9.41	0.10
4	Volkswagen AG	Consumer Cyclical	-0.53	-11.91	0.07
5	Australia and New Zealand Banking Group L	Financial Services	-0.61	-9.51	0.06
6	Commonwealth Bank of Australia	Financial Services	-0.88	-6.83	0.06
7	Fujitsu Ltd	Technology	-0.31	-16.94	0.05
8	Sands China Ltd	Consumer Cyclical	-0.23	-21.95	0.05
9	Westpac Banking Corp	Financial Services	-0.72	-7.54	0.05
10	Schneider Electric SE	Industrials	-0.42	-11.65	0.05
11	Vinci	Industrials	-0.31	-15.50	0.05
12	Basf SE	Basic Materials	-0.38	-11.68	0.05
13	Adidas AG	Consumer Cyclical	-0.24	-17.09	0.05
14	America Movil SAB de CV ADR	Communication Services	0.19	27.82	0.05
15	Infineon Technologies AG	Technology	-0.29	-16.65	0.05

	Worst Selections	Morningstar Sector	Weight +/-	Return +/-	Effect
1	Tesco PLC	Consumer Defensive	1.48	-31.13	-0.51
2	Samsung Electronics Co Ltd	Technology	1.66	-13.58	-0.22
3	CNH Industrial NV	Industrials	0.87	-15.74	-0.15
4	TE Connectivity Ltd	Technology	1.27	-9.62	-0.12
5	Panalpina Welttransport (Holding) AG	Industrials	0.66	-13.85	-0.10
6	Yandex NV	Technology	0.42	-21.46	-0.10
7	Adecco SA	Industrials	0.84	-10.79	-0.09
8	Murata Mfg Co Ltd	Technology	-0.41	22.64	-0.09
9	Carlsberg AS	Consumer Defensive	0.80	-10.69	-0.09
10	Toyota Motor Corp	Consumer Cyclical	-1.01	7.90	-0.08
11	Nokia Oyj	Technology	-0.64	13.25	-0.08
12	CIE FINANCIERE RICHEMONT SA	Consumer Cyclical	0.53	-12.76	-0.07
13	HSBC Holdings PLC	Financial Services	-1.27	5.59	-0.07
14	SKF Group Class B	Industrials	0.54	-11.27	-0.06
15	Fuji Heavy Industries Ltd	Consumer Cyclical	-0.22	29.14	-0.06

Hoffman Estates Firefighters Pension Fund
Fixed Income - All
3rd Quarter 2014

Mitchell, Vaught & Taylor Inc. Investment Advisors

	Portfolio	Barclays Int Agg Index
Number of Bonds	108	
Current Yield	3.94	2.91
Maturity	5.61	4.55
Yield to Worst	2.16	1.99
Effective Duration	3.93	3.95
Convexity	(0.06)	(0.19)



Leading Contributors

Sector	Weight	Gross	Description	Maturity
MORT	1.00%	1.75	FHLMC	06/01/36
CORP	0.00%	1.59	Energizer Holdings	05/19/21
MORT	0.40%	1.59	FNMA	10/01/37
MORT	2.50%	1.46	FHLMC G	11/01/38
CORP	0.80%	1.34	O'Reilly Automotive Inc	09/15/21
CORP	0.00%	1.13	Gilead Sciences	12/15/21
MORT	0.50%	1.11	FHLMC	01/01/19
MORT	0.20%	1.05	FHLMC	05/01/19
MORT	0.70%	0.99	FNMA	10/01/38
MORT	0.30%	0.98	FNMA	06/01/17

Leading Detractors

Sector	Weight	Gross	Description	Maturity
CORP	0.70%	(5.74)	Petro Mexicanos	06/02/41
TIPS	4.20%	(4.15)	Treasury Inflation-Indexed	04/15/29
MORT	0.00%	(3.07)	FNMA	01/01/20
CORP	0.80%	(2.39)	Express Scripts	11/15/41
TIPS	0.70%	(2.24)	Treasury Inflation-Indexed	07/15/19
CORP	0.70%	(2.13)	Verizon Communications	11/01/21
MORT	0.00%	(2.11)	FHLMC	03/01/27
MORT	0.00%	(2.07)	FNMA	08/01/26
CORP	0.80%	(1.95)	Wells Fargo Note	01/16/24
MORT	6.40%	(1.95)	FNMA FN 888703	08/01/37

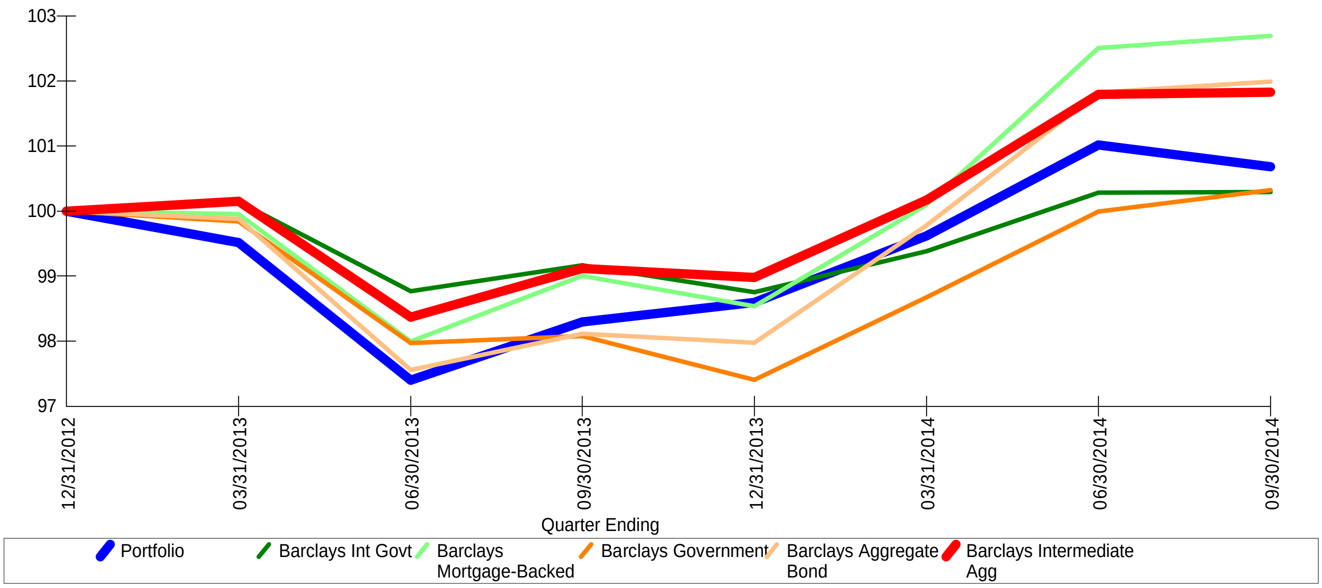
October 8, 2014

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Portfolio Performance Review

Hoffman Estates Total Bond

Graphical Comparative Performance



Total Portfolio	Q3	YTD	1 Yr	Q2	Jul	Aug	Sep	Incept
Time Weighted (gross)	-0.3	2.1	2.4	1.4	-0.2	0.7	-0.8	0.4
Barclays Int Govt	0.0	1.6	1.1	0.9	-0.3	0.6	-0.3	0.2
Barclays Government	0.3	3.0	2.3	1.3	-0.2	1.0	-0.5	0.2
Barclays Mortgage-Backed	0.2	4.2	3.7	2.4	-0.6	0.9	-0.2	1.5
Barclays Corp A+ 1-5 yr	-0.1	1.4	2.0	0.9	-0.1	0.4	-0.4	1.9
Barclays Aggregate Bond	0.2	4.1	4.0	2.0	-0.3	1.1	-0.7	1.1
Barclays Intermediate Agg	0.0	2.9	2.7	1.6	-0.3	0.8	-0.4	1.0
Time Weighted (net)	-0.4	1.9	1.9	1.3	-0.3	0.7	-0.8	0.1
Barclays Int Govt	0.0	1.6	1.1	0.9	-0.3	0.6	-0.3	0.2
Barclays Government	0.3	3.0	2.3	1.3	-0.2	1.0	-0.5	0.2
Barclays Mortgage-Backed	0.2	4.2	3.7	2.4	-0.6	0.9	-0.2	1.5
Barclays Corp A+ 1-5 yr	-0.1	1.4	2.0	0.9	-0.1	0.4	-0.4	1.9
Barclays Aggregate Bond	0.2	4.1	4.0	2.0	-0.3	1.1	-0.7	1.1
Barclays Intermediate Agg	0.0	2.9	2.7	1.6	-0.3	0.8	-0.4	1.0

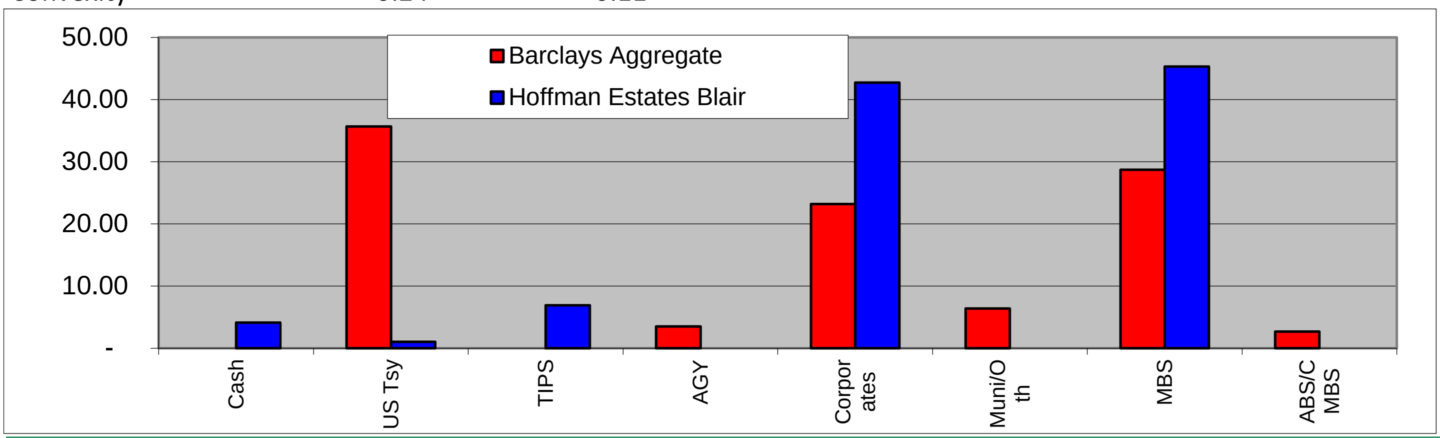
Returns for periods exceeding 12 months are annualized

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

Hoffman Estates Firefighters Pension Fund
Fixed Income - Blair
3rd Quarter 2014

Mitchell, Vaught & Taylor Inc. Investment Advisors

	Portfolio	Barclays Agg Index
Number of Bonds	99	
Average Yield	2.78	2.30
Effective Duration	5.21	5.32
Convexity	0.24	0.11



Leading Contributors

Sector	*Weight*	*Gross*	*Description*	*Maturity*
MORT	1.00%	1.75	FHLMC	6/1/2036
CORP	0.00%	1.59	Energizer Holdings	5/19/2021
MORT	0.40%	1.59	FNMA	10/1/2037
MORT	2.50%	1.46	FHLMC G	11/1/2038
CORP	0.80%	1.34	O'Reilly Automotive Inc	9/15/2021
CORP	0.00%	1.13	Gilead Sciences	12/15/2021
MORT	0.50%	1.11	FHLMC	1/1/2019
MORT	0.20%	1.05	FHLMC	5/1/2019
MORT	0.70%	0.99	FNMA	10/1/2038
MORT	0.30%	0.98	FNMA	6/1/2017

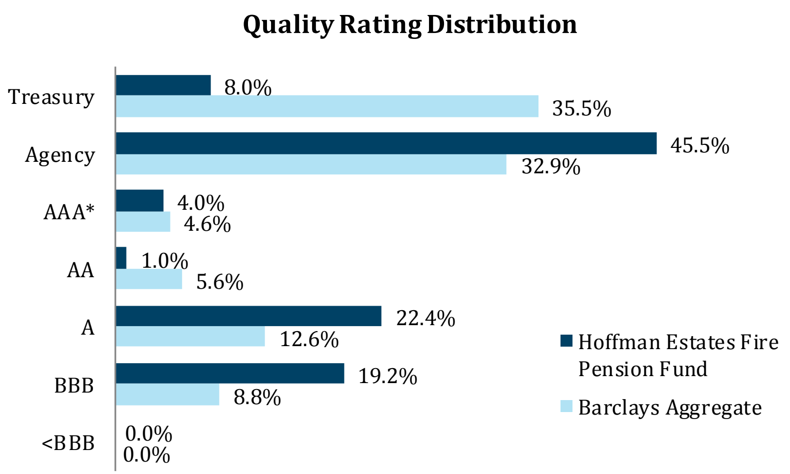
Leading Detractors

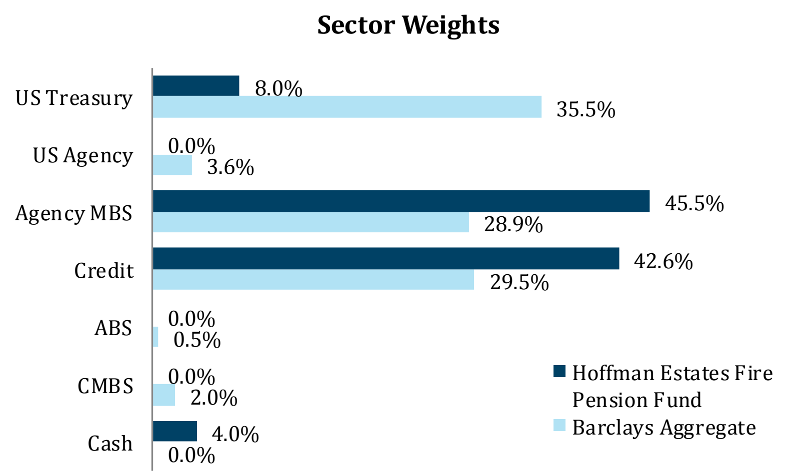
Sector	*Weight*	*Gross*	*Description*	*Maturity*
CORP	0.70%	(5.74)	Petro Mexicanos	6/2/2041
TIPS	4.20%	(4.15)	Treasury Inflation-Indexed	4/15/2029
MORT	0.00%	(3.07)	FNMA	1/1/2020
CORP	0.80%	(2.39)	Express Scripts	11/15/2041
TIPS	0.70%	(2.24)	Treasury Inflation-Indexed	7/15/2019
CORP	0.70%	(2.13)	Verizon Communications	11/1/2021
MORT	0.00%	(2.11)	FHLMC	3/1/2027
MORT	0.00%	(2.07)	FNMA	8/1/2026
CORP	0.80%	(1.95)	Wells Fargo Note	1/16/2024
MORT	6.40%	(1.95)	FNMA FN 888703	8/1/2037

Core Fixed Income
Hoffman Estates Fire Pension Fund – September 30, 2014

	Third Quarter	Year-to-Date	Trailing 1 Year	Inception
Hoffman Estates Fire Pension Fund	-0.17	2.96	3.75	1.53
Hoffman Estates Fire Pension Fund Benchmark	0.08	2.93	2.79	1.37
Excess Performance	**-0.25**	**0.03**	**0.96**	**0.16**

- **During the third quarter, gross of fees, the portfolio trailed the performance of its benchmark by 25 bps.**
- **Since inception, 1/31/13 to 9/30/14, the portfolio outperformed its benchmark by 16 bps per annum.**
- **The Hoffman Estates Fire Pension Fund Benchmark is comprised of the Barclays Intermediate Aggregate Index from 1/31/13 to 8/13/14 and the Barclays Aggregate Index thereafter.**





Characteristics

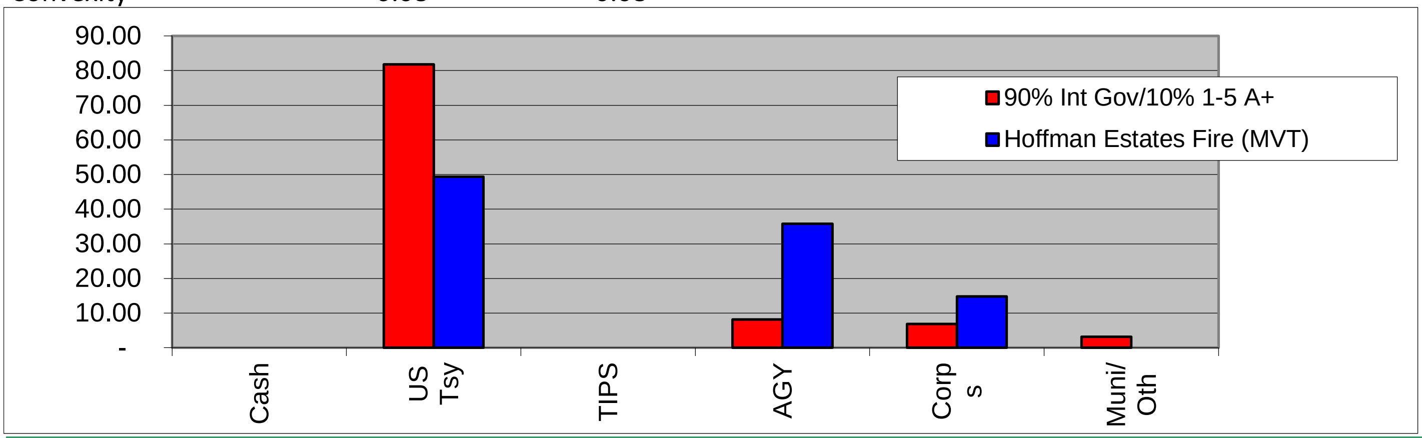
	Hoffman Estates Fire Pension Fund	Barclays Aggregate
Effective Duration	5.21	5.32
Convexity	0.24	0.11
Average Yield	2.78%	2.30%

Includes cash and money market holdings
Inception date 1/31/2013.
Past returns are no guarantee of future performance. Performance for periods greater than one year is annualized. The Barclays Intermediate Aggregate Index includes all medium and larger issues of U.S. government, investment-grade corporate, asset-backed securities, mortgage-backed securities, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 10 years and are publicly issued. The Barclays Aggregate Index includes all medium and larger issues of U.S. government, investment-grade corporate, asset-backed securities, mortgage-backed securities, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 30 years and are publicly issued. Characteristics & sector weights source: BlackRock Solutions.

Hoffman Estates Firefighters Pension Fund
Fixed Income - MVT
3rd Quarter 2014

Mitchell, Vaught & Taylor Inc. Investment Advisors

	Portfolio	90% Int Gov/10% 1-5 A+
Number of Bonds	32	
Current Yield	2.58	1.95
Maturity	3.38	3.75
Yield to Worst	1.26	1.29
Effective Duration	3.21	3.55
Convexity	0.08	0.08



Leading Contributors

Sector	***Weight***	***Gross***	***Description***	***Maturity***
TREAS	2.70%	0.53	Treasury Bond	11/15/2022
CORP	0.90%	0.41	Pepsi Inc	5/10/2016
CORP	1.30%	0.34	Walmart Stores	4/11/2018
TREAS	4.20%	0.16	Treasury Bond	8/15/2021
CORP	1.30%	0.15	Walt Disney Corporate Bond, Calla	8/16/2016
AGY	6.30%	0.14	FHLMC	11/17/2015
CORP	1.30%	0.14	Bank of America Corporate Bond	7/12/2016
AGY	2.70%	0.13	FNMA	7/28/2015
TREAS	0.00%	0.10	Treasury Note	12/31/2016
TREAS	4.70%	0.10	Treasury Note	6/30/2015

Leading Detractors

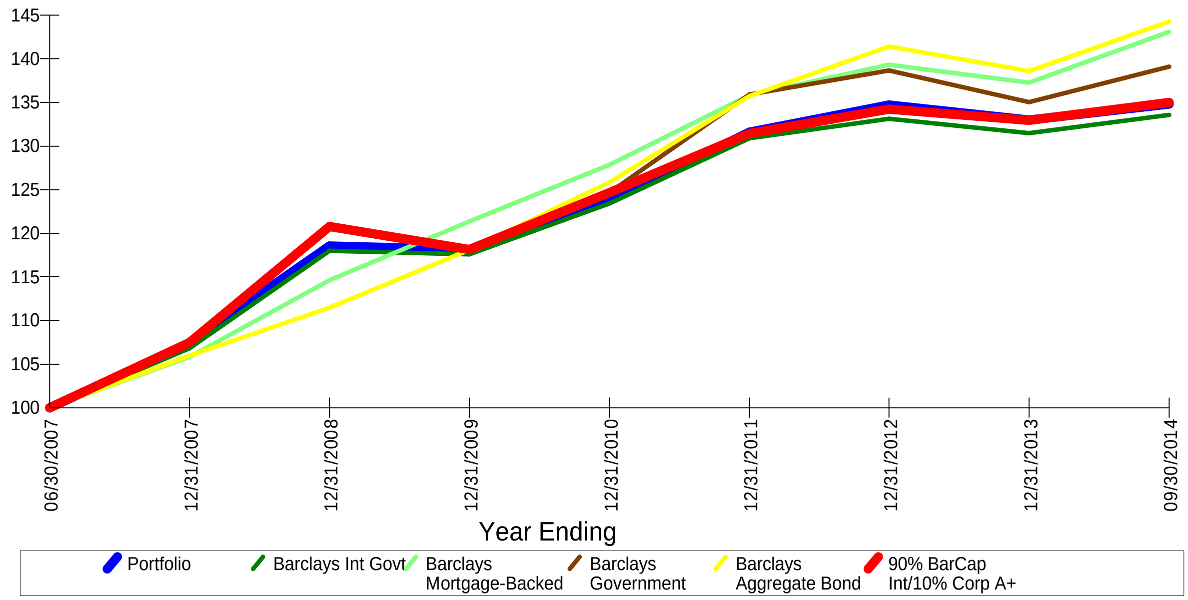
Sector	***Weight***	***Gross***	***Description***	***Maturity***
CORP	0.20%	(0.96)	Citigroup	4/8/2019
AGY	3.80%	(0.46)	FHLMC 3.75% 3/27/2019	3/27/2019
TREAS	5.30%	(0.35)	Treasury Strip	11/15/2018
AGY	3.60%	(0.34)	FNMA	9/28/2020
TREAS	6.20%	(0.18)	Treasury Bond	8/15/2018
TREAS	3.80%	(0.16)	Treasury Strip	5/15/2018
CORP	1.20%	(0.16)	AT&T Inc Corporate Bond	2/15/2017
TREAS	1.30%	(0.14)	US Treasury Note	5/31/2018
AGY	4.20%	(0.13)	FNMA	12/20/2017
TREAS	3.80%	(0.10)	Treasury Note	5/15/2018

October 8, 2014

Portfolio Performance Review

Hoffman Estates Firefighters MVT Bonds Fixed Income Acct #: 8153-3379

Graphical Comparative Performance



Total Portfolio	Q3	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	Incept
Time Weighted (gross)	-0.1	1.4	1.1	1.0	2.6	3.8	4.2
Barclays Government	0.3	3.0	2.3	1.1	3.1	4.3	4.7
Barclays Mortgage-Backed	0.2	4.2	3.7	2.1	3.5	4.9	5.1
Barclays Corp A+ 1-5 yr	-0.1	1.4	2.0	3.2			
Barclays Int Govt	0.0	1.6	1.1	0.9	2.5	3.7	4.1
90% BarCap Int/10% Corp	0.0	1.6	1.2	1.2	2.5	3.9	4.2
Time Weighted (net)	-0.1	1.2	0.9	0.8	2.3	3.5	3.8
Barclays Government	0.3	3.0	2.3	1.1	3.1	4.3	4.7
Barclays Mortgage-Backed	0.2	4.2	3.7	2.1	3.5	4.9	5.1
Barclays Corp A+ 1-5 yr	-0.1	1.4	2.0	3.2			
Barclays Int Govt	0.0	1.6	1.1	0.9	2.5	3.7	4.1
90% BarCap Int/10% Corp	0.0	1.6	1.2	1.2	2.5	3.9	4.2

Returns for periods exceeding 12 months are annualized

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

HOFFMAN ESTATES FIREFIGHTERS PENSION FUND
Tax Levy Report

Showing Assets and Liabilities of the Fund in Accordance with Actuarial Reserve Requirements As of January 1, 2013

Summary

Accrued Liability	$	91,663,255
Actuarial Value of Assets	$	60,867,862
Unfunded Accrued Liability	$	30,795,393
Funded Ratio		66%

Liabilities

Reserves for Annuities and Benefits in Force

	Head Count:		Present Value:		
Retirement Annuities	41	$	39,383,162		
Disability Annuities	8		5,743,711		
Surviving Spouse Annuities	5		1,788,176		
Minor Dependent Annuities	0		0		
Deferred Retirement Annuities	0		0		
Handicapped Dependent Annuities	0		0		
Dependent Parent Annuities	0		0		
Total:	54			$	46,915,049
Accrued Liabilities for Active Members	92			$	44,748,206
Total Accrued Liabilities				$	91,663,255
Total Normal Cost for Active Members				$	2,550,743
Total Normal Cost as a Percentage of Payroll					31%
Total Annual Payroll				$	8,272,945

Amortization of Unfunded Liabilities:

Total Accrued Liability	$	91,663,255
90% Funded Ratio Target	$	82,496,930
Actuarial Value of Assets	$	60,867,862
Liabilities Subject to Amortization	$	21,629,068
Amortization Period		28 years
Amortization Payment, Beginning of Year	$	1,014,765

This report is provided to the Board and Municipality as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based expectations for all Article 4 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. This report was prepared under the direct supervision of the undersigned:

Jason L. Franken
Enrolled Actuary #11-06888
Foster & Foster, Inc.

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Statistical Services, Public Pension Division
Illinois Department of Insurance

HOFFMAN ESTATES FIREFIGHTERS PENSION FUND
Tax Levy Report

Assets

Actuarial Value of Assets

Current Year Gain/(Loss):

Market value of assets as of December 31, 2011	$	54,918,658
Benefit payments during fiscal year 2012		(3,081,752)
Total contributions during fiscal year 2012		2,858,459
Expected return during fiscal year 2012		3,699,473
Expected market value of assets as of December 31, 2012	$	58,394,838
Actual market value of assets as of December 31, 2012	$	59,649,650
Investment gain/(loss) during the fiscal year	$	1,254,812

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

Market value of assets as of December 31, 2012	$	59,649,650
Unrecognized gain/(loss) from fiscal 2012		1,003,850
Unrecognized gain/(loss) from fiscal 2011		(2,222,062)
Unrecognized gain/(loss) from fiscal 2010		N/A
Unrecognized gain/(loss) from fiscal 2009		N/A
Actuarial value of assets as of December 31, 2012	$	60,867,862

Actuarially Determined Tax Levy

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of January 1, 2013 (total normal cost less 9.455% of payroll).	$	1,768,536
Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 28 years as prescribed by Section 4-118 of the Illinois Pension Code.	$	1,014,765
Interest to the end of the fiscal year	$	187,873
Total suggested amount of Tax Levy to arrive at the annual requirements of the fund as prescribed by Section 4-118 of the Illinois Pension Code. *	$	2,971,174

*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.

Actuarial Methods

The following methods have been prescribed in accordace with Section 4-118 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

Actuarial Assumptions

Interest rate	6.75%
Interest rate, prior fiscal year	6.75%
Healthy mortality rates	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Disabled mortality rates	RP-2000 Disabled Retiree Mortality
Decrements other than mortality	Experience tables
Rate of service-related deaths	5%
Rate of service-related disabilities	90%
Salary increases	Service-related table with rates grading from 12% to 4% at 30 years of service
Payroll growth	4.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of Members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 4 funds for the State of Illinois in aggregate, not that of each individual fund. The Department of Insurance has approved the actuarial assumptions based on the results of an experience analysis performed by Foster & Foster, Inc. Contact the Department of Insurance for complete experience tables.

Data and Fund Information

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Tax Levy Report: attained age, annual salary or pension, completed years of service of each individual participant.

The fund specific information used in the production of this document was provided to the Illinois Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.