

TO: Police Pension Fund Board
 FROM: Director of Finance
 DATE: February 16, 2021
 SUBJECT: **FINANCIAL STATEMENTS – January 31, 2021**

Accompanying this memorandum are the unaudited financial statements of the Schaumburg Police Pension Fund as of January 31, 2021. Included in this report is a Statement of Assets as of January 31, 2021, an Income Statement for the three-months then ended, a schedule of non-benefit expenditures paid in November, December, and January, a schedule of all investments held by the Fund, and a listing of all investment transactions for the three months.

STATEMENT OF NET ASSETS (Page 3)

As of January 31, 2021, the Fund had total net assets with a market value of \$125.2 million. This is an increase of 23.44% over the \$101.4 million reported at April 30, 2020.

At the end of January, the balance of funds with the Pension Fund’s fixed income managers were: \$21.2 million at Galliard and \$19.9 million at Segall, Bryant and Hamill. A total of \$80.8 million of equity investments were under management by Mission Wealth Advisors.

Following is a table comparing book value to the current market value of the Fund’s holdings at January 31, 2021:

Police Pension Net Assets as of January 31, 2021

Asset Type	1/31/2021 Book Value	1/31/2021 Market Value	% of Total Market Value	Unrealized Gains (Losses)
Cash and Equivalents	\$ 4,415,158	\$ 4,415,158	3.53%	\$ -
U.S. Treasury Notes, Bonds	9,257,659	9,446,388	7.54%	188,729
Agency Obligations	3,066,642	3,158,242	2.52%	91,599
Mortgage-Backed Securities	5,487,006	5,584,677	4.46%	97,671
Corporate Bonds	19,857,716	20,870,127	16.67%	1,012,410
Municipal Bond	715,621	739,616	0.59%	23,995
Equity Holdings	80,762,186	80,762,186	64.50%	-
Accrued Interest	237,747	237,747	0.19%	-
Total	\$ 123,799,736	\$ 125,214,141	100.00%	\$ 1,414,405

The Fund’s fixed income securities are showing unrealized gains of \$1,414,405 on January 31, 2021. For comparison purposes, there were unrealized gains of \$1,513,091 on April 30, 2020. It is

important to point out that any unrealized gains or losses will not be realized unless the securities are sold prior to maturity.

On January 31, 2021 the Fund's investments in equities represented 64.50% of the Fund's total net assets.

The cash balance on January 31, 2021 was \$4,415,158, of which \$3,350,827 was held by the Fund's Treasurer. The balance of cash was being held in various investment manager custody accounts.

INCOME STATEMENT (Page 4)

For the months of November, December, and January, the Fund saw net assets increase by \$14,149,829 on revenues of \$16,794,911 and expenses of \$2,645,081. This was primarily due to equity appreciation. Village contributions totaled \$254, while employee contributions totaled \$297,656.

Investment earnings were \$16,497,001 representing a positive return of approximately 14.85%.

SCHEDULE OF DISBURSMENTS (Page 5)

During the months of November, December, and January, non-benefit disbursements totaled \$38,081.24. The schedule on page 5 lists all disbursements made during the period.

SCHEDULE OF INVESTMENT ACTIVITY (Pages 6 – 8)

During the months of November, December, and January there were 111 securities purchased and 60 securities that were sold or matured.

STATEMENT OF FIXED INCOME INVESTMENTS (Pages 9 – 21)

Attached is a breakdown of all investments held by Fund. The listing segregates investments between the two outside managers.

STATEMENT OF EQUITY HOLDINGS (Page 22)

The Statement of Equity Holdings shows the activity in the Fund's mutual fund accounts. The January Statement of Equity Holdings shows appreciation for the three-month period of \$16,328,281.53 or a positive 22.70% return on investment.

Should you have any questions regarding this report, please feel free to contact me.


LISA PETERSEN
DIRECTOR OF FINANCE

POLICE PENSION FUND

Statement of Net Assets

January 31, 2021

	<u>Book Value</u>	<u>Market Value</u>
<u>GALLIARD</u>		
Money Market	\$ 1,035,225	\$ 1,035,225
Fixed Income Securities:		
Mortgage Backed Securities	4,613,582	4,730,400
U.S. Treasury Notes & Bonds	5,510,597	5,518,798
Corporate Bonds	9,123,627	9,710,955
Municipal Bonds	130,000	134,489
Accrued Interest	108,695	108,695
Total Galliard Accounts	<u>20,521,726</u>	<u>21,238,562</u>
<u>SEGALL, BRYANT AND HAMILL</u>		
Money Market	29,056	29,056
Fixed Income Securities:		
Agency Securities	3,066,642	3,158,242
Mortgage-backed Securities	873,423	854,277
U.S. Treasury Notes & Bonds	3,747,062	3,927,590
Corporate Bonds	10,734,090	11,159,172
Municipal Bonds	585,621	605,128
Accrued Interest	129,051	129,051
Total Segall Accounts	<u>19,164,947</u>	<u>19,862,515</u>
<u>DFA MUTUAL FUNDS</u>		
Money Market	50	50
Equity Securities	80,762,186	80,762,186
Total DFA Mutual Funds	<u>80,762,236</u>	<u>80,762,236</u>
<u>INTERNAL ACCOUNTS</u>		
Cash and Cash Equivalents:		
Checking Account	2,572,107	2,572,107
Illinois Funds	778,721	778,721
Total Cash and Cash Equivalents	<u>3,350,827</u>	<u>3,350,827</u>
Total Internal Investment Accounts	<u>3,350,827</u>	<u>3,350,827</u>
Total Internal Accounts	<u>3,350,827</u>	<u>3,350,827</u>
 Total Net Assets	 <u>\$ 123,799,736</u>	 <u>\$ 125,214,141</u>

POLICE PENSION FUND

**Income Statement
As of January 31, 2021**

	Year to Date 1/31/2021	Three Months Ended 1/31/2021
Revenues		
Investment Income:		
Interest Earned	\$ 652,164	\$ 202,838
Gain(Loss) on Sale of Investments	439,325	65,284
Equity Appreciation	24,680,136	16,328,281
Change in Market Value of Fixed Income Securities	(98,686)	(99,402)
Total Investment Income	25,672,939	16,497,001
Police Officer Contributions	847,700	297,656
Village Contributions	5,131,931	254
Total Contributions	5,979,631	297,910
 Total Revenues	 31,652,570	 16,794,911
Expenses		
Retirement Benefits	6,749,399	2,277,671
Non-Duty Disability Benefits	89,475	29,914
Duty Disability Benefits	399,629	134,698
Surviving Spouse Benefits	451,466	164,268
Credible Service Transfer	-	-
Pension Refunds	12,344	449
Investment Management Costs - Mitchell, Vaught & Taylor	-	-
Investment Management Costs - McDonnell	-	-
Investment Management Costs - Galliard	29,615.18	9,479
Investment Management Costs - Segall, Bryant & Hamill	34,992	10,920
Investment Management Costs - AHC Advisors	54,697	16,596
Office Supplies	148	148
Insurance Expenses	-	-
Seminars & Training	-	-
Dues & Subscriptions	500	-
Other Professional Services	20,953	692
Legal Expenses	7,333	(3,000)
State of Illinois Fee	8,000	-
Bank Charges	6,742	3,108
Postage	269	139
Pension Portability Expense	-	-
Total Expenses	7,865,562	2,645,081
 Excess/(Deficiency) Revenues over Expenses	 23,787,008	 14,149,829
 Net Assets		
Beginning of Period	101,427,133	111,064,311
January 31, 2021	\$ 125,214,141	\$ 125,214,140

POLICE PENSION FUND
Other Disbursements
November 1st thru January 31st, 2021

Date	Check No	Payee	Description	Amount
11/6/2020	258007	Fifth Third Bank	Banking Fees	\$ 908.15
11/19/2020		Collins & Radja	Refund on Legal Fees	\$ (3,000.00)
11/30/2020	WIRE	Illinois Department of Revenue	941	\$ 175.83
11/30/2020	78200456	Wells Bank	Investment Fees	\$ 9,479.15
11/30/2020	NA	VOS	Postage	\$ 19.00
12/4/2020	258557	Tyler Technologies Inc	Year End Tax Forms	\$ 147.87
12/4/2020	258518	Fifth Third Bank	Banking Fees	\$ 905.35
12/30/2020	78200457	Marianne Climack Court Rep	Court Reporting	\$ 572.25
12/30/2020	WIRE	Illinois Department of Revenue	941	\$ 175.83
12/30/2020	78200458	Segall Bryant & Hamill	Investment Fees	\$ 10,919.57
12/30/2020	78200459	Kathryn Strack	Services	\$ 120.00
12/31/2020	NA	VOS	Postage	\$ 34.50
12/31/2020	WIRE	Charles Schwab	Banking Fees	\$ 45.00
1/1/2021	258933	Fifth Third Bank	Banking Fees	\$ 1,249.15
1/29/2021	EFT10011777	Mission Wealth Mgmt	Investment Fees	\$ 16,595.57
1/31/2021	NA	VOS	Postage	\$ 85.68
Total Other Disbursements				\$ 38,432.90
Less:				
Non-expense Disbursements				
Illinois Income Tax Withheld				(351.66)
Total Non-Benefit Expenses				\$ 38,081.24