Income Statement

Through 04/30/18

Detail Listing

Account	Account Description	Actual Amount
Fund 900 - Police Pension Trust Fund		
	REVENUE	
Department 999 - Police Pension Trust Fund		
Grant Year 00 - Non Specific		
70001	Property Tax Levy	2,043,794.87
70002	City Contribution	775,344.83
70003	Employee Contributions	404,801.37
70004	Interest Income	13,523.73
70020	Other Revenue	892,936.38
	REVENUE TOTALS	4,130,401.18
	EXPENSE	
Department 999 - Police Pension Trust Fund		
Grant Year 00 - Non Specific		
51001	Salaries (Benefit payments)	3,572,016.31
51016	FICA	1,009.80
80003	Refund of Contributions/Terminated	20,613.92
80004	Investment/Manager Fees	76,870.37
80013	Filing Fees	3,382.65
80014	Travel and Expense	2,151.39
80015	Legal Services	13,985.78
80018	Financial Reporting	2,950.00
80019	Other Contractual Services	20,490.71
	EXPENSE TOTALS	$3,713,470.93
Fund 900 - Police Pension Trust Fund Totals		
	REVENUE TOTALS	4,130,401.18
	EXPENSE TOTALS	3,713,470.93
Fund 900 - Police Pension Trust Fund Net Gain (Loss)		$416,930.25

Respectively Submitted By,

Stephanie Wilson

Treasurer, Danville Police Pension Fund

BOARD OF TRUSTEES OF THE POLICE PENSION FUND FISCAL YEAR END REPORT AS OF APRIL 30, 2018

FIRST FINANCIAL BANK		
Checking account Balance 5/1/17	**$**	**409,139.12**
Property Tax Levy		2,043,794.87
City Contribution		775,344.83
Employee Contributions		404,801.37
Interest Income		13,523.73
Sweep from Investments		891,536.38
Other revenue received from members		1,400.00
TOTAL RECEIPTS		**4,130,401.18**
Salaries (Benefit payments)		3,572,016.31
FICA		1,009.80
Refund of Contributions/Terminated		20,613.92
Investment/Manager Fees		76,870.37
Filing Fees (IDOI)		3,382.65
Travel and Expense		2,151.39
Legal Services		13,985.78
Financial Reporting		2,950.00
Fiduciary Liability Insurance		5,289.00
IME's/Physicals		14,959.86
Area Wide		241.85
TOTAL DISBURSEMENTS		**3,713,470.93**
FFB CHECKING ACCOUNT BAL 4/30/18	**$**	**826,069.37**
MANAGED ACCOUNTS BAL 4/30/18:		
1727 BankChampaign N.A. Growth Fund		9,739,876.34
1726 BankChampaign N.A. Securities		8,020,187.50
TOTAL INVESTMENTS		17,760,063.84
TOTAL ASSETS POLICE PENSION FUND 4/30/18	**$**	**18,586,133.21**

BOARD OF TRUSTEES
OF THE

Policemen's Pension Fund

November 28, 2018

City Council
City of Danville
17 W. Main St.
Danville, IL 61832

City Council Members:

The City of Danville retains Lauterbach & Amen, LLP as its independent actuary, for the purpose of providing a valuation and municipal funding recommendation. According to this valuation, the recommended municipal funding amount for the next levy year is $3,869,291. The Policemen's Pension Board has reviewed this report.

Accordingly, as required in the Illinois Pension Code, the Danville Policemen's Pension Board is requesting that the City of Danville levy the recommended amount above for the upcoming levy year in order to satisfy the annual municipal funding requirement.

Also included as statutorily required under the PA 96-960, a copy of the Board's Municipal Compliance Report is hereby provided to the City. A copy of the Board's current investment policy is also attached.

If you have any questions, please feel free to contact us.

Sincerely,

Troy Wasson
Policemen's Pension Board President

17 W. MAIN STREET, DANVILLE, ILLINOIS 61832-5705

REPORT OF THE BOARD OF TRUSTEES OF THE DANVILLE POLICE PENSION FUND TO THE CITY OF DANVILLE CITY COUNCIL FOR FISCAL YEAR 2017/2018

1. The total assets (cost) of the fund in our custody at the end of the fiscal year April 30, 2018 is: The current market value of those assets as of April 30, 2018 is:	$ 16,188,377 $ 18,666,903
2. The estimated receipts during the next succeeding fiscal year 2018-2019 from deductions from the salaries of police officers, and from all other sources is: Officer contributions: All other sources: (PSF)	$ 404,644 $ 1,320,800
3. The estimated amount required during the next succeeding fiscal year to: (a) pay all pensions and other obligations provided in this Article, and, (b) to meet the annual requirements of the fund as provided in 40 ILCS 5/3-125 and 3-127.	$3,869,291

4. The total net income received from investment of assets for most recently completed fiscal year:	$ 1,019,086
5. The assumed investment return for most recently completed fiscal year:	6.75%
6. The actual investment return received by the fund during its most recently completed fiscal year: (Net of Admin Expenses)	5.4%
7. The total net income (loss) received from investment of assets during the preceding fiscal year:	$1,494,561
8. The assumed investment return during the preceding fiscal year:	6.75%
9. The actual investment return received during the preceding fiscal year:	8.6%
10. The total number of active employees who are financially contributing to the fund:	63
11. Total amount of money disbursed in benefits during the most recently completed fiscal year:	$ 3,579,430
12. Total number of annuitants receiving a regular retirement pension and amount.	57 $ 2,910,369

CERTIFICATION

The Board of Trustees of the Police Pension Fund of the City of Danville hereby certifies that the that the statements set forth in this Report are true and correct, except as to matters therein stated to be on information and belief, and as to such matters, the Board of Trustees of the Police Pension Fund of the City of Danville certifies as aforesaid, that they verily believe the same to be true.

Dated: 11/29/18

The Board of Trustees of the Police Pension Fund of the City of Danville

By: _____

Troy Wasson, President

Attest: _____

Phil Wilson, Secretary

MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

Contribution Results

The contribution recommendation is based on the funding policies and procedures that are outlined in the "Actuarial Funding Policies" section of this report.

The State of Illinois statutes for pension funds contain parameters that should be used to determine the minimum amount of contribution to a public pension fund. Those parameters and the resulting minimum contribution can be found in the "Illinois Statutory Minimum Contribution" section of this report.

Defined Benefit Plan Risks

Asset Growth

Pension funding involves preparing plan assets to pay benefits for the members when they retire. During their working careers, assets need to build with contributions and investment earnings, and then the pension fund distributes assets during retirement. Based on the fund's current mix of employees and funded status, the fund should be experiencing positive asset growth on average if requested contributions are made and expected investment earnings come in. In the current year, the fund asset growth was positive by approximately $645,000.

Asset growth is important long-term. Long-term cash flow out of the pension fund is primarily benefit payments. Expenses make up a smaller portion. The fund should monitor the impact of expected benefit payments and the impact on asset growth in the future. In the next 5 years, benefits payments are anticipated to increase 20%-25%, or approximately $833,000. In the next 10 years, the expected increase in benefit payments is 40%-45%, or approximately $1.55 million.

Unfunded Liability:

Unfunded liability represents dollars we expect to be in the pension fund already for the fund members based on funding policy. To the extent dollars are not in the pension fund the fund is losing investment returns on those dollars going forward. Payments to unfunded liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payment is not made, the unfunded liability will grow.

In the early 1990s, many pension funds in Illinois adopted an increasing payment to handle unfunded liability due to a change in legislation. The initial payments decreased, and payments were anticipated to increase annually after that. In many situations, payments early on may be less than the interest on unfunded liability, which means unfunded liability is expected to *increase* even if contributions are at the recommended level.

The current contribution recommendation includes a payment to unfunded liability that is approximately $108,000 less than interest on the unfunded liability. All else being equal and contributions being made, unfunded liability would still be expected to increase. The employer and the fund should anticipate currently that improvement in the funded percent will be mitigated in the short-term. The employer and the fund should understand this impact as we progress forward to manage expectations.

Actuarial Value of Assets:
The pension fund smooths asset returns that vary from expectations over a five-year period. The intention over time is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of contribution recommendations over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the pension fund is deferring approximately $749,000 in losses on the Market Value of Assets. These are asset losses that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.

Plan Assets
The results in this report are based on the assets held in the pension fund. Assets consist of funds held for investment and for benefit payments as of the valuation date. In addition, assets may be adjusted for other events representing dollars that are reasonably expected to be paid out from the pension fund or deposited into the pension fund after the actuarial valuation date as well.

The current fund assets are unaudited. As of the date of this report, the audit of the fund assets is not complete, not available, or has not been provided.

The Plan Assets Used in this Report are Unaudited.

The current fund assets are based on the year-end financials as prepared by the pension fund accountant. The year-end financials represent a full accrual version of the fiduciary fund as of the end of the fiscal year, prepared in preparation for the audit. The changes to the fund cash balance as of the fiscal year-end are non-cash items that can include accrued interest, due/unpaid expenses, prepaids and other adjustments.

The actuarial value of assets under the funding policy is equal to the fair market value of assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the funding policy section of the report.

HISTORICAL ASSET PERFORMANCE

The chart below shows the historical rates of return on plan assets for both Market Value of Assets and Actuarial Value of Assets.

	Market Value	Actuarial Value
First Preceding Year	5.4%	4.3%
Second Preceding Year	8.6%	4.2%
Third Preceding Year	(1.7%)	3.8%

The returns on assets shown above were calculated based on the annual return on investment for the year, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets during the year, the ending market value of assets has been adjusted to net out to the portion related to the investment returns themselves. All other cash flows are included.

For purposes of determining the annual return on investment we have adjusted the figures shown on the preceding pages. The figures shown on the preceding pages are net of investment expenses. We have made an additional adjustment to net out administrative expenses. Netting out administrative expenses allows us to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustment we make is for actuarial reporting purposes only. By netting out administrative expenses and capturing return dollars that are available to pay benefits, it provides us a comparison to the estimated rate of return on assets, but does not provide a figure that would be consistent with the return rates that are determined by other parties. Therefore, this calculated rate of return should not be used to analyze investment performance of the Fund or the performance of the investment professionals.

POLICEMEN'S PENSION FUND

STATEMENT OF INVESTMENT POLICY, OBJECTIVES, AND GUIDELINES

I. GENERAL INFORMATION

The Danville Illinois, Policemen's Pension Fund is a defined benefit contributory pension plan, created under Article 3 of the Illinois Pension Code (40 ILCS 5/3-101 et seq.) The fund was created for the purpose of providing retirement and/or disability benefits to Policemen, their surviving spouses and dependents. Contributions to the plan come from active duty Policemen and taxes upon the residents of Danville, IL. This Statement of Investment Policy, Objectives and Guidelines applies to all assets of the Danville Policemen's Pension Fund. All Investment Consultant(s), Investment Manager(s) and the Board of Trustees shall affix their signatures on the last page hereof and hereby acknowledge that:

1. They have read, understood, and agreed to adhere to this statement;
2. They are a "fiduciary" with respect to the Fund as provided under Illinois law including the applicable sections of the code;
3. Investments of the Fund are restricted to those investments permitted under Illinois law and the provisions of the Code applicable to the Fund; and
4. All investments shall be made in the name of the Board of Trustees and shall be clearly held and accounted for to indicate ownership by the Board of Trustees.

II. STATEMENT OF PURPOSE

The Danville Policemen's Pension Fund hereby establishes the following statement of Investment policies and guidelines. The purpose of this statement is to create a general framework within which the assets of the Fund can be invested with respect to efficient portfolio management. The Board of Trustees may, in its discretion, modify or withdraw this statement at any time. This statement is set forth by the Board of Trustees in order to achieve the following:

1. Define and assign the responsibilities of all involved parties;
2. Establish a clear understanding for all involved parties of the investment goals and objectives for Fund assets;
3. Offer guidance and limitations to all Investment Managers and Consultants regarding the investment of Fund assets; and
4. Establish a basis for evaluating investment results.

III. DEFINITIONS

The following terms used herein have the meaning stated below.

1. "Code" shall mean Illinois Pension Code (40 ILCS 5/1-101 et seq.)
2. "Fund" shall mean the Danville Policemen's Pension Fund.
3. "Board of Trustees" or "board" shall refer to the governing body established to administer and control the fund as specified in the Code.

4. "Fiduciary" shall mean a "Fiduciary" as defined under Illinois law including, but not limited to, the definitions in the Code, and shall include any person who exercises any disposition of its assets or renders investment advice for a fee or other compensation with respect to Pension Funds or property or has any discretionary authority or responsibility in the Fund's administration including, but not limited to, Consultant(s) and Investment Manager(s) as defined herein.
5. "Investment Manager" shall mean "Investment Advisor" as defined in the Code and shall include any person employed to manage the investment of all or part of the Fund's assets.
6. "Consultant" shall mean any person who provides advisory services, including advice on investment objectives and/or allocation, manager search, and performance monitoring.
7. "Custodian" shall mean any person employed to maintain possession of securities or funds owned by the Fund. Custodian(s) of the Fund as defined herein are subject to the direction of the Board of Trustees.
8. "Person" shall mean any individual or group of individuals or organizations.
9. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this Statement.
10. "Statement" shall mean this Statement of Investment Policy, Objectives, and Guidelines.

IV. PRUDENCE

The Board of Trustees is charged by law with the responsibility for the management of the Fund's assets. As provided in the code, the Board of Trustees shall discharge its duties solely in the interest of the Fund with care, skill, prudence and diligence under the circumstances then prevailing that a prudent man, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character with like aims.

V. RESPONSIBILITIES OF THE PENSION BOARD

It is the intent of the Board to establish an investment policy to guide the investment of the assets of the Fund. The specific responsibilities of the Board of Trustees relating to the investment management of the Fund's assets include, but are not limited to, the following:

1. Projecting the Fund's financial needs and communicating such needs to the Investment Managers or Consultants as the Board of Trustees deems appropriate;
2. Determining the Fund's risk tolerance, investment policy, and communicating these to the appropriate parties;
3. Establishing reasonable and consistent investment objectives, policies, and guidelines that will direct the investment of the Fund's assets;
4. Prudently and diligently selecting qualified investment professionals, including Consultant(s), Investment Manager(s), and Custodian(s);

5. Regularly evaluating the performance of the Investment Manager(s) and/or Consultants to assure adherence to policy guidelines and to monitor investment objective progress; and
6. Developing and enacting proper control procedures.

VI. DELEGATION OF AUTHORITY

As provided in the Code, the Board of Trustees is a fiduciary responsible for directing and monitoring the investment management of the Fund's assets. The Board is authorized to delegate certain responsibilities to professional experts in various fields, including, but not limited to:

1. The Consultant, who may assist the Board of Trustees in establishing investment policy, objectives, and guidelines; selecting Investment Managers; reviewing such Managers over time; measuring and evaluating investment performance on a continuing basis; and other tasks as deemed appropriate by the Board of Trustees.
2. The Investment Manager, who may be granted discretion to direct the purchase, sale or holding of the specific securities or funds that will be used to meet the Fund's investment objectives. Investment professionals retained may or may not have the discretionary authority to invest pension assets of the Fund. It will be presumed that an investment professional does not have discretionary authority unless specifically stated in a written contract between the Board and the investment professional.
3. The Custodian, who as Custodian will always be identified as Custodian of the Danville Policemen's Pension Fund, will maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, effect receipt and delivery following purchases and sales, also perform regular accounting of all assets owned, purchased, or sold, as well as move assets into and out of the Fund accounts.

VII. SELECTION OF INVESTMENT MANAGERS

The Board of Trustees selection of Investment Manager(s) will primarily be based upon matching the Fund's investment objectives with an Investment Manager's investment style. At a minimum, and subject to the requirements of the Code, the following items will be required in the selection of an Investment Manager.

1. Investment professionals with a minimum of five (5) years of investment experience;
2. A registered investment advisor under the Investment Advisors Act of 1940, or bank or insurance company; and
3. Investment Managers must be able to demonstrate knowledge of the Code governing Fire Pension Funds.

VIII. RESPONSIBILITIES OF THE INVESTMENT MANAGERS(S)

Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary under Illinois law including the Code as aforesaid. Each Investment Manager shall submit to the Board, within seven (7) business days of receipt of this Statement of Investment Policy and Guidelines, a written statement accepting to adhere to this investment policy. Subject to the requirements thereof and to the authority of the Board of Trustees, the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this Statement. Specific responsibilities of the Investment Manager(s) include, but are not limited to, the following:

1. Discretionary investment management, if so granted in written contract between the board and Investment Manager, including decisions to buy, sell or hold individual securities and to alter asset allocation established within this statement.
2. Reporting at least monthly the current investments held in the account, their current market value, the rate of return for the quarter and year to date, and all transactions within the account. Reporting in person on at least a semi-annual basis the current investments held in the account, their current market value, the rate of return for the quarter and the year to date, and all transactions within the account.
3. Communicating any major changes in economic outlook, investment strategy, or any other factor that affects implementation of investment process, or the investment objective process of the Fund's investment management.
4. Informing the Board regarding any qualitative change in the investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies on behalf of the Fund if directed to do so by the Board of Trustees and communicating such voting records to the Board of Trustees on a timely basis for stock purchased by the Fund or otherwise owned by the Fund.
6. Have a written contract with the Investment Policy as part of the contract.
7. Provide disclosure of fees, both direct and indirect.
8. Submit written acknowledgement of fiduciary responsibility to the Plan.
9. To sweep funds into the checking account to cover payroll expenses up to $600,000.00 per year.

Investment Managers will be held responsible and accountable to achieve the objectives of this Statement. While it is not believed that the limitations set by this investment policy will hamper Investment Managers, Managers should request modifications when they deem it appropriate.

IX. INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

The investment performance of total portfolios will be measured against performance benchmarks that are mutually agreed upon by the Fund and the Manager. Consideration shall be given to the extent to which the investment results are acceptable given the investment objectives, goals and guidelines as set forth in this statement, with the intent to evaluate the portfolio(s) over a complete market cycle, but

the Board reserves the right to terminate a Manager for any reason with or without cause. Among the causes for termination (but not limited to those causes) are the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to an aspect of this Statement of Investment Policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization such as performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

X. RESPONSIBILITIES OF THE CUSTODIAN

The Custodian exercises specified authority or control regarding management or disposition of the Fund's assets, among other things. The Custodian accepts possession of securities and/or funds in a manner that insures their safety and ownership. Providing accurate, timely market value pricing, including accrued interest, for all securities under their care.

1. Collecting dividends and interest payments on a timely basis.
2. Redeeming of maturing securities on a timely basis.
3. Effecting receipt and delivery following purchases and sales on a timely and accurate basis.
4. Providing timely monthly statements which accurately detail all transactions in the accounts, as well as detail all of the securities owned.

XI. FEES

All charges by professional experts must be at rates charged by such experts for comparable work, and will be borne by the Fund. Any fees for investment services provided by a professional expert shall be detailed in a written disclosure of all fees, both direct and indirect, prior to providing the services, or at any time the Board of Trustees requests, subsequent to providing investment services.

XII. GENERAL INVESTMENT PRINCIPLES

General investment principles of the Fund include, but are not limited to, the following:

1. As provided in the Code, all investments shall be made in the name of and clearly held accounted for to indicate ownership by the Fund.
2. All investments shall be made solely in the interest of the participants and beneficiaries of the Fund and for the exclusive purpose of providing benefits accrued thereunder and defraying the reasonable expenses of administration.
3. The Fund's assets shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like

capacity and familiar with such matters would use in the investment of a like character and with like aims.

4. Understanding that risk is present in all types of securities and investment styles, the Board of Trustees recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet Fund's objectives. However, the Investment Managers are to make reasonable efforts to control risk and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
5. Investment Managers are expected to adhere to the investment management styles for which they are hired. Managers will be evaluated regularly for adherence to their investment discipline.
6. Investments of the Fund shall be diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
7. The Board of Trustees may employ one or more Investment Managers of varying styles and philosophies to attain the Fund's objectives.
8. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

XIII. GENERAL INVESTMENT POLICY

The goal of the Fund is total return; that is, the aggregate return of capital appreciation, dividend income, and interest income. All investments shall be made in the name of the Fund and shall be clearly held and accounted for to indicate ownership by the Fund.

OBJECTIVES

1. Safety of principle is the foremost objective. As such, the Board of Trustees has consciously diversified the total Fund. Diversification is to be interpreted to include diversification by asset type, by characteristic, and by number of investments.
2. The investment portfolio will remain sufficiently liquid to enable the Fund to meet all operating requirements which might be reasonably anticipated.
3. This investment portfolio shall be designed to achieve a market rate of return, taking into account the Fund's investment risk constraints and cash flow needs.

XIV. ASSET ALLOCATION GUIDELINES

The allocation of assets shall be achieved through the prudent diversification of asset classes. The goal shall be to maintain liquidity while providing reasonable diversification consistent with the objectives and guidelines for the Fund. To the extent possible, the Fund will attempt to match its investments with anticipated cash flow requirements. As of July 2, 2012, the Fund is permitted to hold up to 55% in equities. (*) Percentage allocations are intended to serve as guidelines and the Board will not be required to remain strictly within the designated ranges. However, under no

circumstances, can the ranges exceed Illinois State Statutes. Management of the Fund shall be in accordance with the following guidelines:

Allowable Asset Allocation
After July 1, 2012

Asset Class	Target	Maximum
Equities	50%	55%
Fixed Income	45%	80%
Cash & Equivalents	5%	15%

The Board of Trustees may employee Managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Plan, such disciplines must fit within the overall asset allocation guidelines established in this Statement. Such Investment Managers will receive written direction from the Board of Trustees regarding specific objectives and guidelines.

XV. SPECIFIC INVESTMENT GOAL

Over the investment horizons established for equity and fixed income investments in this Statement, it is the goal of the Board of Trustees that aggregate Plan market value returns meet or exceed the actuarial assumption of the Fund, but it is understood that diversified portfolios will lose value occasionally. These losses will be viewed in the context of the performance of appropriate benchmarks. The investment goals above are the objectives of the aggregate Plan, and are not meant to be imposed on each investment account (if more than one account is used). The goal of each Investment Manager, or investment, over the investment time horizon, shall be to:

1. Meet or exceed the market index or benchmark, or blended market index or benchmark, selected and agreed upon by the Board of Trustees that most closely corresponds to the style of the Investment Manager or investment.
2. Display an overall level of risk in the portfolio which is consistent with the risk associated with the appropriate benchmark. Risk will be measured by the standard deviation of returns.

XVI. LOSSES

The Board of Trustees understands that in order to achieve its objectives for Plan assets, the Plan will experience volatility of returns and fluctuations of market value as well as periods of losses. Losses will be viewed within the context of appropriate market indices or benchmarks.

XVII. PERMITTED INVESTMENTS

Permitted Investments are those allowed under applicable portions of Article 1 of the Illinois pension code and this Investment police statement, whichever is more restrictive.

XVIII. PROHIBITED TRANSACTIONS

Prohibited transactions are those transactions prohibited under the Code and also include, but are not limited to, the following:

1. Short selling
2. Margin transactions
3. Any transactions involving futures or option contracts
4. Reverse Repurchase Agreements
5. Repurchase Agreements
6. Any borrowing or lending agreements
7. Derivative Investments of any type
8. Commercial Paper
9. Commodities
10. Unregistered letter stock
11. Foreign Securities other than those listed on the NYSE
12. Warrants

XIX. ENFORCEMENT

The Board of Trustees expects each investment professional to comply with the policy statement.

1. If any investment professional concludes that any aspect of this statement is inappropriate or will unnecessarily inhibit performance, the broker is obligated to notify the Board of Trustees rather than fail to comply with the statement.

2. Each investment professional shall annually certify in writing to the Board of Trustees that it has complied with the investment guidelines and policy.

3. Each investment professional shall promptly notify the Board of Trustees in writing of any violation of the investment guidelines and policy. The fact that an investment produces a gain does not justify violation of the guidelines and policy. Violations of the investment guidelines and policy shall be considered by the Board of Trustees in deciding on matters of retention. Any breach of SEC (Securities and Exchange Commission) rules shall promptly be reported to FINRA (Financial Industry Regulatory Authority, Inc) and appropriate action taken.

XX. ETHICS AND CONFLICT OF INTEREST

The members of the Danville Policemen's Pension Fund and all other parties involved in the investment process shall refrain from personal business activity that could conflict

with the proper execution of the investment program or which could impair their ability to make impartial investment decisions.

XXI. INTERNAL CONTROL

The Office of the City Treasurer shall establish an annual process of independent review by an independent auditor. This review should include the examination of compliance with policies and procedures.

XXII. ADDITIONAL RULES AND PROCEDURES

The Board of Trustees may impose additional duties, obligations, and procedures under separate document as the need arises.

This Statement is adopted on 01/09/18 (Date), by the Board of Trustees of the Fund, whose signatures appear below.

President	Secretary
Member	Member
Member	Member
Member	Member

By: Megan Mudd

OFFICIAL SEAL
MEGAN MUDD
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/13/18