



COOK COUNTY BOARD OF COMMISSIONERS PENSION COMMITTEE

DECEMBER 15, 2021



COOK COUNTY PENSION FUND |

KEY FUND FINANCIALS AND DEMOGRAPHICS FOR 2020

Cook County Fund		Forest Preserve Fund
Net Position (12/31/2020)	\$12.6 Billion	\$221.4 Million
Actuarial Liability (12/31/2020)	\$18.4 Billion	\$355.1 Million
Net Investment Income	\$1.5 Billion	\$21.8 Million
Benefit Payments and Refunds	\$905.5 Million	\$19.1 Million
Employee Contributions	\$134.2 Million	\$3.2 Million
Employer Contributions	*\$509.2 Million	**\$4.0 Million
Net Allocation for Healthcare	\$43.4 Million	\$0.7 Million
Administrative Expense	\$5.0 Million	\$0.2 Million
Active Members	19,102	521
Annuitants	19,442	538

*Includes \$309.2 million of contributions from the Intergovernmental agreement (IGA) with Cook County.

**The Forest Preserve Fund does not have an IGA.



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ANNUITANT DEMOGRAPHICS FOR 2020

Cook County Annuitants as of January 1, 2021			Forest Preserve Annuitants as of January 1, 2021		
Age	Number	Average Monthly Payment	Age	Number	Average Monthly Payment
Under 50	146	\$638	Under 50	2	\$172
50-59	1,573	\$4,259	50-59	46	\$2,597
60-69	6,252	\$4,307	60-69	168	\$3,169
70-79	7,149	\$3,819	70-79	197	\$3,081
80-89	3,508	\$3,157	80-89	104	\$2,448
90 or Older	814	\$2,459	90 or Older	21	\$1,544
Total	19,442	\$3,811	Total	538	\$2,874

Annuitants under 50 are primarily Children and Widow(ers)



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THE PAST DECADE

Cook County Fund			Forest Preserve Fund		
	December 31, 2010	December 31, 2020		December 31, 2010	December 31, 2020
Actives	23,165	19,102	Actives	448	521
Annuitants	14,978	19,442	Annuitants	505	538
Benefit Payments	\$462.6 Million	\$905.5 Million	Benefit Payments	\$12.1 Million	\$19.1 Million
Employee Contributions	\$129.4 Million	\$134.2 Million	Employee Contributions	\$2.5 Million	\$3.2 Million
Employer Contributions	\$181.5 Million	\$509.2 Million*	Employer Contributions	\$2.7 Million	\$4.0 Million
Market Value of Assets	\$7.6 Billion	\$12.6 Billion	Market Value of Assets	\$173.9 Million	\$221.4 Million
Funded Ratio	57.5%	63.9%	Funded Ratio	65.2%	59.1%

Total CC Benefit Payments for 2011-2020 were \$7.6 Billion while total Employer and Employee Contributions were \$4.9 Billion*

Total FP Benefit Payments for 2011-2020 were \$178.7 Million while total Employer and Employee Contributions were \$63.7 Million

* Includes Supplemental IGA Contributions

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GROWTH IN ASSETS FROM 2010 TO 2020

- Cook County and Forest Preserve’s investment assets have grown over the last decade, however, the funded ratios have not experienced significant improvement.
- To determine the optimal mix between return-seeking and risk mitigating assets, the Fund conducts asset liability studies as necessary to evaluate its long term strategic asset allocation.

Cook County	2010	2020	Forest Preserve	2010	2020
Domestic Equity	\$3,295.1M	\$4,741.7M	Domestic Equity	\$82.2M	\$74.6M
Fixed Income	\$2,602.6M	\$2,731.7M	Fixed Income	\$55.5M	\$40.9M
International Equity	\$1,008.4M	\$2,279.5M	International Equity	\$25.1M	\$58.6M
Alternatives	\$206.5M	\$2,455.3M	Alternatives	\$3.2M	\$36.6M
Total Fund*	\$7,476.9M	\$12,475.0M	Total Fund*	\$171.0M	\$224.6M

During this ten year period, Cook County and Forest Preserve generated over \$8.4 billion and \$179 million respectively in net investment income

Source: 2010 and 2020 Comprehensive Annual Financial Reports for Cook County and Forest Preserve

*Total Fund amounts include cash, which is omitted from the tables

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INVESTMENT ALLOCATION

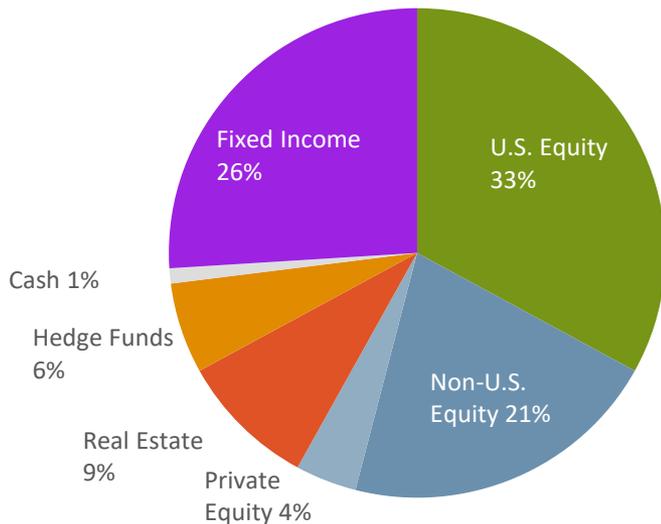
The Retirement Board has established a long term investment policy for both Funds. Portfolios are diversified across asset classes with investments in public and private markets.

The following asset allocation reflects the Funds' return objectives at a prudent level of risk, consistent with the Funds' liquidity needs.

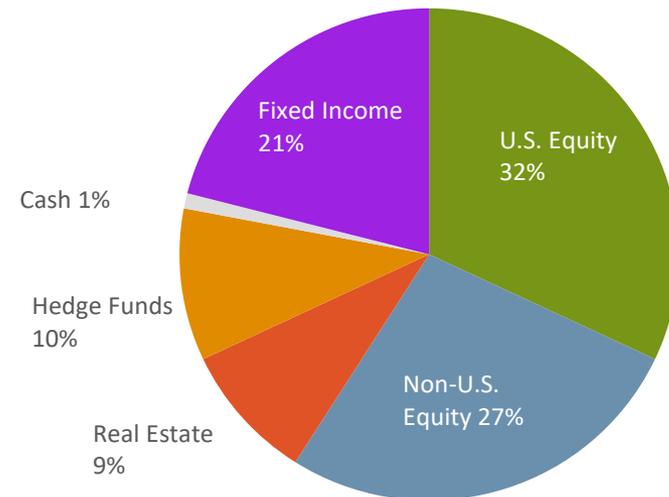
Total Portfolio Assets as of September 30, 2021

- Cook County Pension Fund: \$13.4 billion
- Forest Preserve Pension Fund: \$224.0 million

Cook County Fund Target Allocation



Forest Preserve Fund Target Allocation

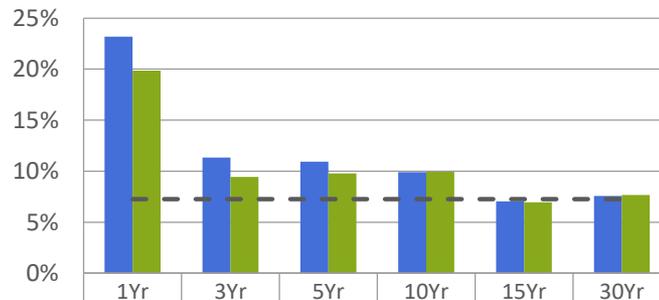


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Q3 2021 INVESTMENT PERFORMANCE - UNAUDITED

For most periods noted, the Funds met or exceeded the 7.25% actuarial assumed rate of return.

Returns as of Q3 2021



 Cook	23.17%	11.34%	10.93%	9.90%	7.05%	7.57%
 Forest Preserve	19.86%	9.44%	9.79%	9.94%	6.96%	7.66%
U.S. Public Median	19.04%	9.57%	9.40%	8.99%	6.71%	7.80%
Peer Median (>\$1BN Assets)	21.26%	9.46%	9.40%	9.42%	6.62%	7.76%
- - - Actuarial ROR	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%

Total Assets (in billions)



Source: Callan LLC

Source: Callan LLC; returns are net-of-fees

The Funds are long-term diversified investors.

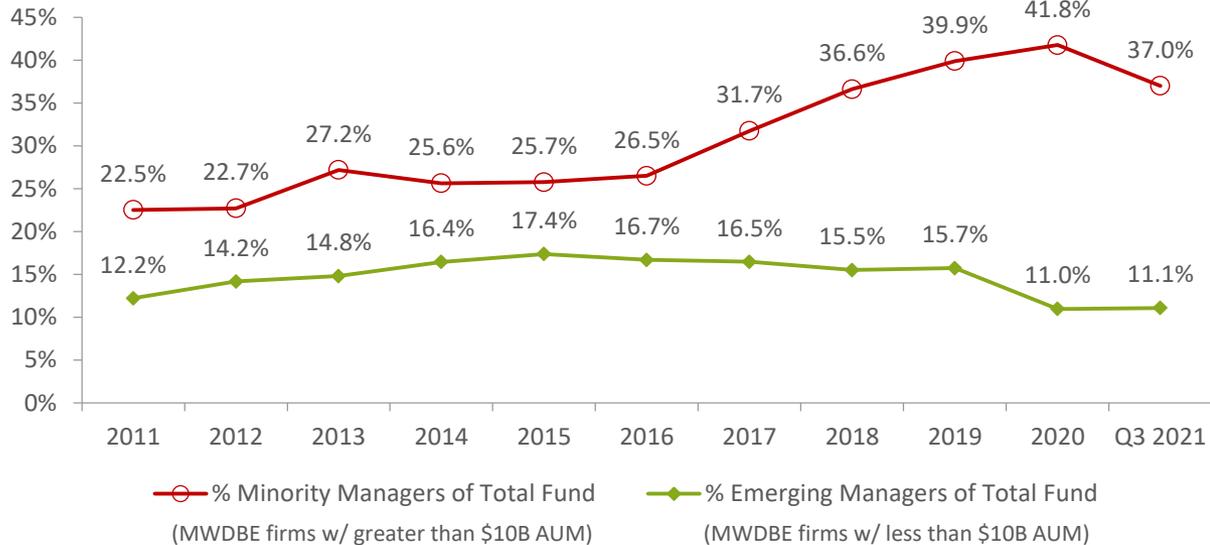
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EMERGING AND MWDBE UTILIZATION UPDATE



- The Funds have a long and steady track record of working with emerging and MWDBE firms in every asset class.

History of Emerging Manager Fund Allocations: 2011-Q3 2021



2021 Highlights

- Funded Boston Common, a new emerging international equity manager, with \$200 million in Q1 2021
- \$50 million awarded to two emerging real estate managers will increase alternatives utilization (Artemis and Basis)
- Fund continues to assess new opportunities to rebuild its emerging manager program after closure of Progress in 2020

	Q3 2021 EM Allocation In Dollars (MMs)*	2020 Emerging Mgr. Utilization Rate
Domestic Equity	\$405.0	8.1%
Fixed Income	\$621.6	18.7%
Intl. Equity	\$338.9	11.5%
Alternatives	\$146.1	5.6%

* Combines Cook County and Forest Preserve actual allocations



COOK COUNTY PENSION FUND | JUNE 2021

LOCAL AND STATE FUND INVESTMENT PERFORMANCE COMPARISON

Cook County and Forest Preserve's investment performance compares favorably against local and other IL state plans.

Fund Name	Funded Ratio	Performance					AUM as of 6-30-2021
		Q2	1Yr	3Yr	5Yr	10Yr	
Cook County Pension Fund*	63.9%	6.5% (3)	28.5% (4)	12.1% (3)	11.6% (3)	8.8% (5)	\$13.4BN
Forest Preserve District Fund*	59.1%	4.9%	25.7%	10.5% (5)	10.5%	8.9% (4)	\$0.2BN
IL Teachers Retirement System (TRS)	40.5%	n/a	25.5%	9.9%	10.1%	8.4%	\$57.3BN
IL Municipal Retirement Fund (IMRF)	94.1%	6.7% (2)	30.2% (1)	12.7% (1)	12.2% (1)	9.5% (1)	\$54.7BN
IL State Board of Investments (ISBI)	NA	7.2% (1)	25.8%	12.1% (3)	11.2% (4)	9.1% (3)	\$24.8BN
State University Retirement System (SURS)	42.2%	n/a	23.8%	10.4%	10.3%	8.5%	\$23.6BN
Chicago Teachers' Pension Fund (CTPF)	46.7%	6.7% (2)	28.7% (3)	12.2% (2)	11.7% (2)	9.2% (2)	\$13.1BN
Chicago Municipal Pension Fund (MEABF)	22.3%	3.8%	23.9%	9.3%	9.6%	8.0%	\$3.9BN
Chicago Policemen's Pension Fund (PABF)	23.1%	4.2%	27.0%	10.5% (5)	10.3%	8.1%	\$3.0BN
Water Reclamation District Fund (MWRD)	57.3%	5.2% (5)	29.1% (2)	9.8%	10.2%	8.6%	\$1.6BN
Chicago Laborer's Pension Fund (LABF)	42.9%	4.3%	27.4%	10.7% (4)	10.9% (5)	8.1%	\$1.3BN
Chicago Firemen's Pension Fund (FABF)	19.4%	n/a	n/a	n/a	n/a	n/a	\$1.0BN
Chicago Park District Pension Fund (PEABF)	28.7%	5.3% (4)	28.2% (5)	10.2%	10.2%	8.8% (5)	\$0.4BN
Median		5.3%	27.2%	10.5%	10.4%	8.7%	

* The Cook County and Forest Preserve District Pension Funds are the only funds listed that do not have statutory actuarial funding.

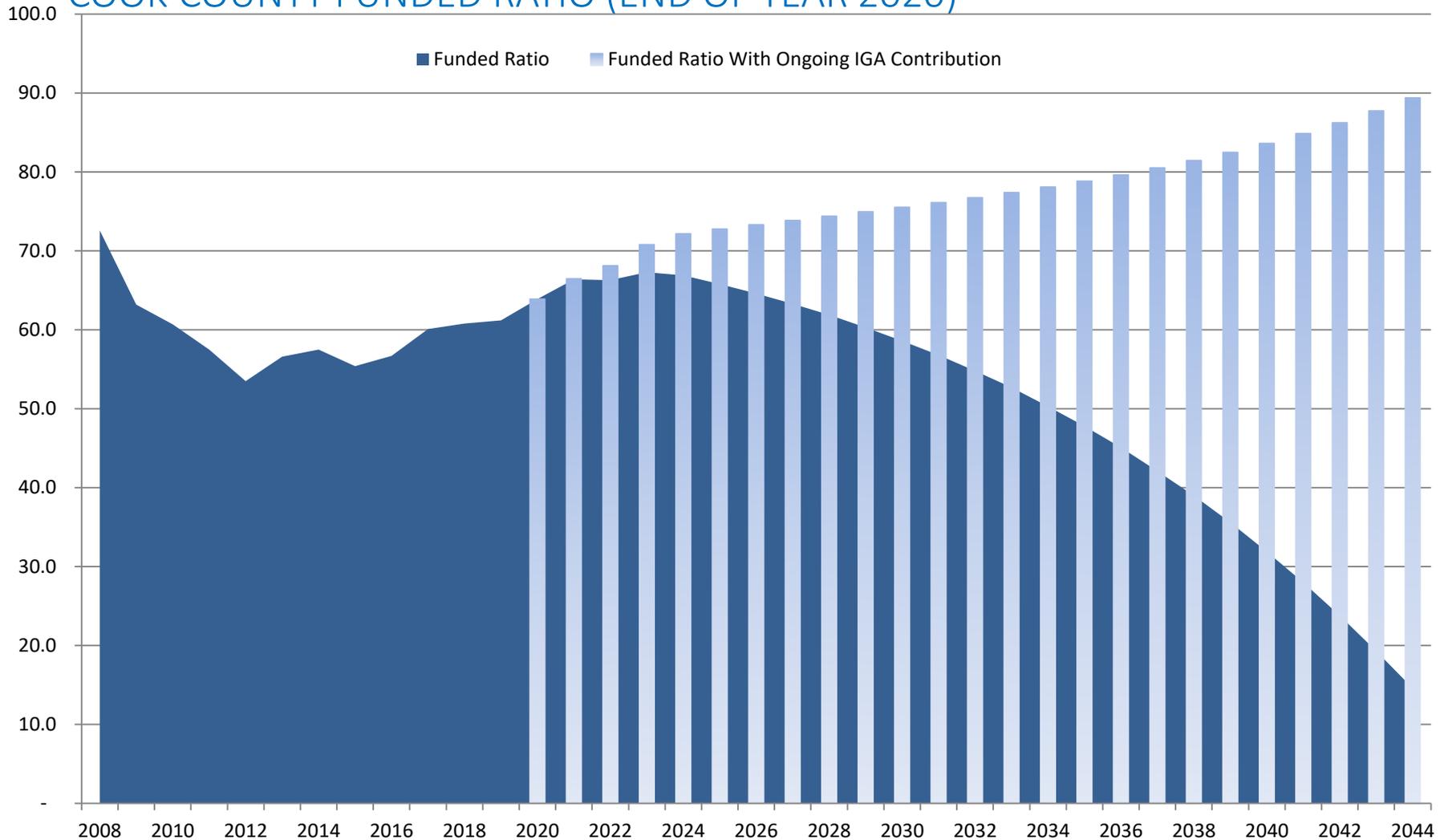
Source: Plan websites or information provided by respective Funds' staff and may not be subject to audit.

Returns are net-of-fees; Returns over 1Yr are annualized / Q2 return not available from TRS or SURS. Net returns not available from FABF



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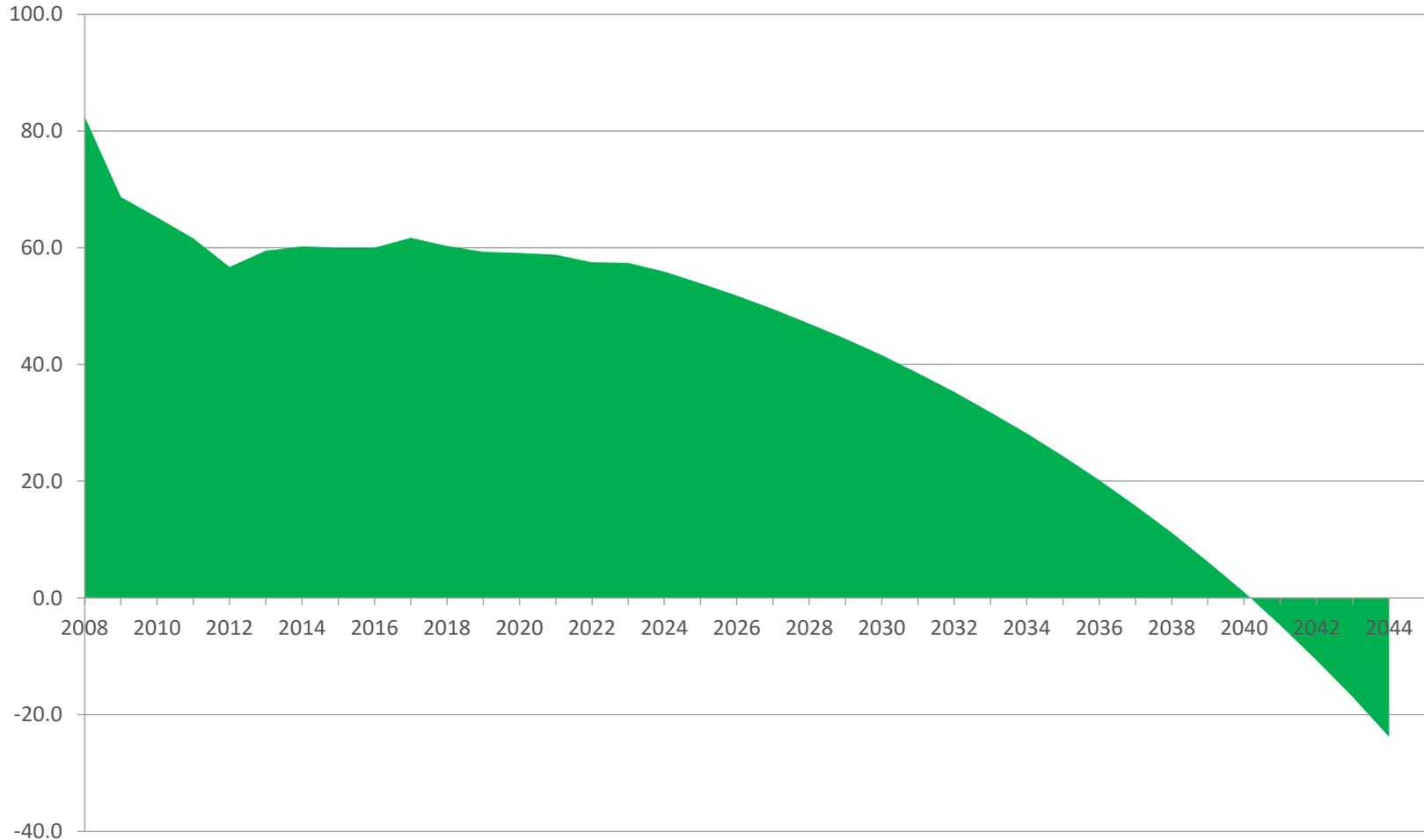
COOK COUNTY FUNDED RATIO (END OF YEAR 2020)



Cook County and Forest Preserve are the only funds without statutory actuarial funding in Illinois. Under current statutory funding, asset depletion for the Cook County Fund is projected in 2047. If the IGA is annually renewed, full pension funding is expected in 2046.

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FOREST PRESERVE FUNDED RATIO (END OF YEAR 2020)



Note the Forest Preserve Fund does not receive IGA contributions. The only source of funding is the property tax receipts of the 1.30x multiple that has been in place since 1973. Under current statutory funding legislation, asset depletion is projected in 2041.

COOK COUNTY PENSION FUND |

SUMMARY

- During these challenging times, Fund staff continues to service all membership requests on a timely basis with the outstanding service expected. Scheduled in-person appointments for benefit counseling resumed in August. Approved annuitant applications and refunds for 2020 and 2021 (to-date) are:

	<u>2020</u>	<u>2021</u>
Annuitants	1,219	1,265
Refunds	2,436	2,743

- Since the inception of the Intergovernmental Agreement (IGA) in 2016 between Cook County and the Fund, over \$1.9 billion has been remitted to the Cook County Fund. This funding has provided many benefits, most notably the ability to manage both a prudent investment portfolio and cash flows. The Forest Preserve Fund continues to operate without an IGA and relies solely on the statutory multiplier for employer funding.
- The Cook County Fund and Forest Preserve Fund are the only large public retirement systems in the State of Illinois that do not have statutory actuarial funding. The Retirement Board continues to seek codified actuarial determined contributions for both Funds.