

# PRESS RELEASE

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## **Firemen's Annuity and Benefit Fund of Chicago Adopts New Asset Allocation Strategy**

CHICAGO, IL – The Board of Trustees (Board) of the Firemen's Annuity and Benefit Fund of Chicago (FABF) recently voted to adopt a new target asset allocation strategy. This decision was reached after the Board completed a comprehensive asset liability study earlier this year and was based on recommendations from investment consultant Callan Associates (Callan). The study was conducted to review the FABF's long-term liability projections, incorporate new funding legislation, forecast liquidity needs, and evaluate alternative asset allocation strategies.

The new target asset allocation strategy makes several changes, including the elimination of the target allocation to hedge funds and cash. New asset classes are also introduced, including allocations to global real estate investment trusts (REITs), US Treasury Inflation-Protected Securities (TIPS), and liquid diversifying assets. Allocations to illiquid asset classes such as real estate and private equity will be modestly increased, with a corresponding reduction planned in the allocation to U.S. equities.

Implementation of the new asset allocation strategy will take place over the course of several quarters. The new asset allocation strategy will be formally incorporated into the FABF Statement of Investment Policy in the near future. In certain cases, new investment managers may need to be hired for new mandates to fully implement the new strategy. Formal requests for proposal (RFPs) issued by the FABF as part of this implementation process will be posted to the FABF website.

For detail on the FABF investment portfolio asset allocation, please visit:

<http://fabf.org/Financial/NewAssetPage.html>