

BOARD MEMBERS**Shawn Curry**

Participant Representative
Peoria, IL

Lee Catavu

Participant Representative
Aurora, IL

Paul Swanlund

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Daniel Hopkins

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Collinsville, IL

Mark Poulos

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Michael Inman

Municipal Representative
Macomb, IL

Phil Suess

Municipal Representative
Wheaton, IL

Brad Cole

Illinois Municipal League
Representative
Carbondale, IL

Notice is hereby given that the Board of Trustees of the Illinois Police Officers' Pension Investment Fund will conduct a regular meeting on **Friday, March 17, 2023, at 9:00 a.m.** at the Twin Towers Plaza, Suite 420 (Fourth Floor Training Room), located at 456 Fulton Street, Peoria, IL 61602. This meeting will also be held on the Zoom video-conferencing platform in accordance with the Gubernatorial Disaster Proclamation issued on 03-03-23. By entering this meeting, participants agree to be audio and video recorded.

Zoom Invite:

Dial by your location
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Germantown)
+1 669 900 6833 US (San Jose)
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)

Meeting ID: 814 4831 0582

Passcode: 899971

<https://zoom.us/join>

AGENDA

*Times are
Approximate*

- 9:00 a.m. **1. Call to Order**
- 9:01 a.m. **2. Roll Call**
- 9:02 a.m. **3. Moment of Silence**
- a. Chicago Police Officer Andres Vasquez-Lasso, EOW March 1, 2023
- 9:04 a.m. **4. Investments**
- a. Investment Update
- b. Quarterly Performance Review – Scott Whalen, Verus
- c. 2023 Investment Planning
- d. Approve Short-Term Asset Allocation Recommendation ¹
- 11:00 a.m. **5. Governmental Liaison's Report**
- a. Monthly Report – March 2023
- b. Review IPOPIF Legislative Items
- 11:15 a.m. **6. Administration and Operations**
- a. Human Resources
- i. Approve Revisions to Staffing Positions for Fiscal Year 2023 Budget and Approve Recruitment ¹
1. Include:
- a. Two Senior Accountant positions
- b. Two Administrative Analyst positions
- c. One Information Technologist position
- d. One Communications Analyst position
- e. Four Investment Officer positions

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2. Remove:

- a. One Executive Assistant
- b. One Investment Analyst

11:30 a.m.

b. Finance

- i. Approve Fiscal Year 2023 Budget Revisions ¹
- ii. Approve Monthly Financial Statements – December 2022 and January 2023 ¹
- iii. Ratify Warrants #60 and #61 ¹
- iv. Approve Prepayment of Illinois Finance Authority (IFA) Loan Balance ¹

12:00 p.m.

c. Administrative Status Update

12:10 p.m.

7. Meeting Minutes

- a. Approve February 10, 2023 Special Board Meeting Minutes and Closed Sessions ^{1,2}
- b. Accept Committee Meeting Minutes
 - i. Audit and Budget Committee: January 19, 2023
 - ii. Contract Committee: January 23 and February 24, 2023

12:15 p.m.

8. Legal Updates

- a. Fiduciary Legal Counsel’s Report
 - i. IFA Request for Indemnification
 - ii. Litigation Committee – Status Update on Pending Litigation ²

12:35 p.m.

b. General Legal Counsel’s Report

12:40 p.m.

9. Closed Session (if necessary)

12:41 p.m.

10. Public Comment (press *6 to unmute)

12:45 p.m.

11. Adjournment ¹

¹ Action Item

² Closed Session Item(s):

7(a): In accordance with 5 ILCS 120/2(c)(21) Closed Session Exception: Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.

8(a)(ii): In accordance with 5 ILCS 120/2(c)(11) Exception: Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent.

MEMORANDUM

TO: Board of Trustees
FROM: Richard White, Executive Director
RE: Moment of Silence
DATE: March 17, 2023

Recommended Action: Observe Moment of Silence.

The Board of Trustees may observe a Moment of Silence in tribute to Chicago Police Officer Andres Vasquez Lasso who was killed in the line of duty on March 1, 2023. Officer Vasquez Lasso, 32 was shot in an exchange of gunfire during a foot pursuit of the suspect. Initial media reports indicated that during the law enforcement response to this domestic violence call, which was regarding a suspect chasing a woman down a street with a gun, the teenaged armed suspect ran away after being spotted by the police officers and during the chase fired at the pursuing officers. Officer Vasquez Lasso was struck by this gunfire. The officer was transported to a hospital but died, shortly thereafter, of the gunshot wounds. Officer Vasquez Lasso had been with the Chicago Police Department for 5 years and was married.

Funeral services for Officer Vasquez-Lasso were held on March 9, 2023 and the American and Illinois State Flag were flown at half-staff, in honor of Officer Vasquez-Lasso, from March 4 through March 9 at the direction of Governor JB Pritzker.

Investment Update

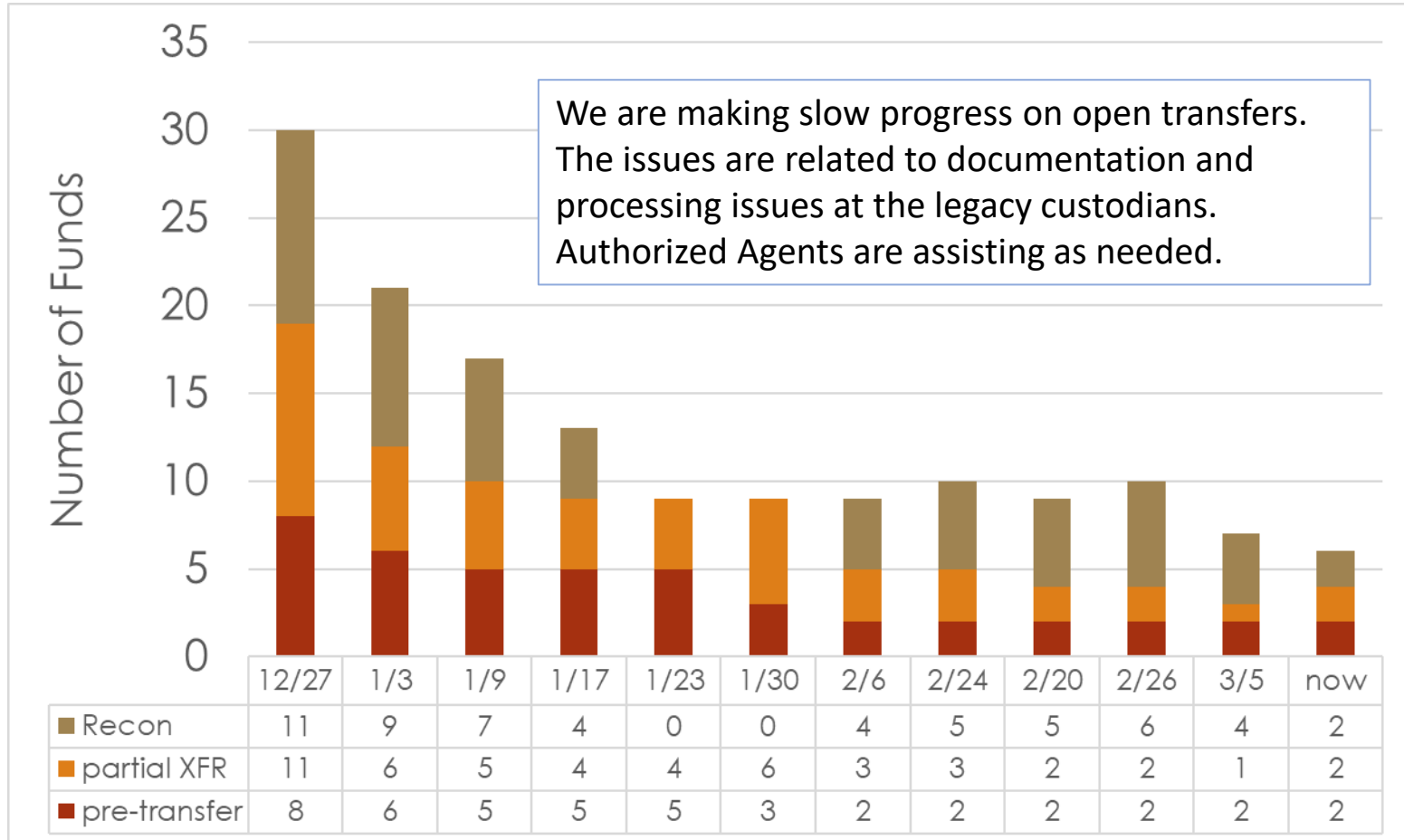
As of March 9, 2023

Transfer Schedule

Tranche #	Assigned Transfer	Number of Funds		\$ millions	
		Tranche	Total	Tranche	Total
1	March 1, 2022	14	14	220	220
2	April 1, 2022	18	32	458	678
3	May 2, 2022	14	46	354	1,032
4	June 1, 2022	27	73	770	1,803
5	June 24, 2022	45	118	1,271	3,074
6	August 1, 2022	36	154	1,463	4,537
7	September 1, 2022	63	217	1,922	6,459
8	October 3, 2022	54	271	990	7,448
9	November 1, 2022	35	306	376	7,824
10	December 1, 2022	22	328	731	8,555
12*	May 1, 2023	4	332	38	8,593
DNT	Did Not Transfer	10	342	74	8,667
LIT	litigation plaintiffs	15	357	1,233	9,900

*T11 designation used for February transition of assets received since December
Data as of 3/8/23

Open Transfers



Non-Transferred Funds

Litigants (15)	Est. \$M
ARLINGTON HEIGHTS	162
AURORA	245
CHAMPAIGN	121
CHICAGO HEIGHTS	48
CHICAGO RIDGE	29
DEKALB	45
ELGIN	157
ELMHURST	78
EVANSTON	158
MOKENA	25
PALOS HEIGHTS	29
RANTOUL	30
VILLA PARK	36
WOOD DALE	26
WOODRIDGE	45
Total \$M	1,233

As of 3/8/23

Did Not Transfer (10)	Est. \$M
FAIRVIEW HEIGHTS	29
EAST ST LOUIS	19
GLENWOOD	11
SOUTH CHICAGO HEIGHTS	4
MARYVILLE	4
STONE PARK	4
MONTICELLO	1
WASHINGTON PARK	1
VENICE	0.3
ROBBINS (no assets)	0.2
Total \$M	74

5/1/23 transfer (4)	Est. \$M
PERU	11
GLEN CARBON	11
METROPOLIS	8
LASALLE	8
Total \$M	38

Former DNT, Hampshire, contributed cash in late February.

May 1 Transfer


- All funds have provided exhibit A & B
- Preliminary asset lists requested from legacy investment managers by 3/10/23
- Document deadline for new funds is 3/31/23.
 - Exhibit A & B and preliminary asset lists
- CPA asset certification starts 4/10/23
 - Certified Investment Asset Lists (CIAL) delivered 4/14/23
 - A second CIAL will be delivered 4/21/23, only if the CPAs observe changes in holdings.
- Asset Transfers on May 1
- Reconciliations to be delivered within 30 days of asset receipt.

Asset Allocation/Rebalancing 3/8/23

Account	3/8/23		Target		Variance		Cash Flow		Pro-Forma		PF Variance	
	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%
Growth	4,419	49.9%	4,430	50.0%	(11)	-0.1%	4	0.1%	4,423	50.0%	2	0.0%
RHUMBLINE US LARGE	1,558	17.6%	1,595	18.0%	(37)	-0.4%	34	2.2%	1,592	18.0%	0	0.0%
RHUMBLINE US SMALL	432	4.9%	443	5.0%	(11)	-0.1%	10	2.3%	442	5.0%	0	0.0%
SSGA NON-US DEVELOPED	1,360	15.3%	1,329	15.0%	31	0.3%	(33)	-2.4%	1,327	15.0%	0	0.0%
SSGA NON-US DEVELOPED SC	449	5.1%	443	5.0%	6	0.1%	(7)	-1.6%	442	5.0%	(0)	0.0%
SSGA EM EQUITY	620	7.0%	620	7.0%	0	0.0%	-	0.0%	620	7.0%	1	0.0%
Income	1,398	15.8%	1,417	16.0%	(19)	-0.2%	16	1.1%	1,414	16.0%	(0)	0.0%
SSGA HIGH YIELD	873	9.9%	886	10.0%	(13)	-0.1%	11	1.3%	884	10.0%	0	0.0%
SSGA EM DEBT	525	5.9%	532	6.0%	(6)	-0.1%	5	1.0%	530	6.0%	(0)	0.0%
Inflation Protection	771	8.7%	797	9.0%	(26)	-0.3%	25	3.2%	796	9.0%	0	0.0%
SSGA TIPS	255	2.9%	266	3.0%	(10)	-0.1%	10	3.9%	265	3.0%	0	0.0%
SSGA REITS	335	3.8%	354	4.0%	(19)	-0.2%	15	4.5%	350	4.0%	(3)	0.0%
PRINCIPAL US PROPERTY	180	2.0%	177	2.0%	3	0.0%	-	0.0%	180	2.0%	3	0.0%
Risk Mitigation	2,271	25.6%	2,215	25.0%	56	0.6%	(62)	-2.7%	2,209	25.0%	(2)	0.0%
IPOPIF CASH	386	4.4%	266	3.0%	120	1.4%	(123)	-31.8%	263	3.0%	(2)	0.0%
SSGA ST GOV-CREDIT	1,283	14.5%	1,329	15.0%	(45)	-0.5%	43	3.4%	1,326	15.0%	0	0.0%
SSGA CORE BONDS	601	6.8%	620	7.0%	(19)	-0.2%	18	3.0%	619	7.0%	(0)	0.0%
Total Investment Pool	8,859	100.0%	8,859	100.0%	-	0.0%	(17)		8,842	100.0%	0	100.0%
Transition Pool	21											
Participant Fund Accounts	0											
Grand Total	8,880											

Investment Activity

- January Monthly PPF Report
 - Implemented new cover sheet w/ expanded information
 - Added expense, fee, and loan detail
 - Cleaned up extraneous income issues in PPF account
- Continue to refine Verus monthly and quarterly investment reporting
- Cash management and other customer service ~1 FTE. Productivity increasing with experience.
- Developed 2023 Investment Plan.
- Pushing State Street invoicing for Custody, Transition Mgt., and Investment Mgt.
- FY23 budget update and FY24 budget planning
- May 1 transfer planning and processing



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: December 31, 2022

Investment Performance Review for

Illinois Police Officers' Pension Investment Fund

Table of Contents



[VERUSINVESTMENTS.COM](https://www.verusinvestments.com)

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Executive Summary **Page 3**

Investment Landscape **Page 5**

Investment Performance
Review **Page 23**

Executive Summary

Executive Summary

- Total assets grew from \$5.7 billion to \$8.4 billion over the quarter, as assets continued to transfer into the Fund, and investment gains for the quarter exceeded \$400 million.
- The challenging market environment that persisted through most of 2022 reversed in the final two months of the year, as the S&P 500 returned 7.6% in the 4th quarter. The IPOPIF benefited from recovering markets over the quarter as well, as the Total Fund¹ returned 6.7%, which was in line with the Policy Index return of 6.6% over the same period. The Broad-Based Index performed even better with a return of 8.4% for the period, reflecting its higher equity exposure in a resurgent equity market.
- Since its inception in April of 2022, the IPOPIF Portfolio returned -9.0% through the end of the year, which is modestly better than the Policy Index of -9.3% and significantly ahead of the equity heavy Broad-Based Policy Index of -12.6%.
- As a primarily passively invested investment strategy (through the transition period), the IPOPIF Portfolio experienced minimal variation to its Policy Index in the 4th quarter. The modest variance that occurred is primarily attributable to remaining “benchmark mismatch” (which has been addressed by recent adjustments to the Policy Index approved by the Board at the February 2023 Board meeting).
- As expected, individual managers also performed in line with their strategy-specific benchmarks during the quarter with one modest exception. The SSgA Emerging Markets Equity Index fund exceeded its benchmark by 60 basis points (10.3% vs. 9.7%), reversing similar underperformance in the previous quarter. Performance variance in this fund has been due to a formulaic “fair valuation adjustment” designed to keep investors from taking advantage of timing differences across global markets.
- The IPOPIF Portfolio ranked in the 12th percentile relative to a representative universe of Public Pensions with assets greater than \$1 billion for the quarter. Like the relatively low rank in previous quarters, the favorable ranking in the 4th quarter continues to be largely attributable to a relatively high public markets equity allocation and an absence of alternatives, most notably private equity, compared to peers³.
- The investment team actively monitors current asset allocations vs. policy targets and conducts rebalancing trades as appropriate. As of 12/31/22, all asset allocation values were in line with policy targets.

Notes

¹Total Fund assets includes Member Fund and Transition accounts that have not yet been invested in the IPOPIF Investment Portfolio.

²The Broad-Based Policy Index represents a passively invested 70/30 global stock/bond portfolio.

³IPOPIF has implemented a short-term asset allocation which is primarily passively invested in public markets. Following the Transition Period IPOPIF will move toward the long-term asset allocation, including active management and private market assets.

Investment Landscape

4th quarter summary

THE ECONOMIC CLIMATE

- Real GDP increased at a 2.9% rate in the fourth quarter (1.0% year-over-year growth), slightly exceeding expectations. Consumer spending, private inventory investment, government expenditures, and nonresidential investment were supportive of growth.
- Unemployment remained near historic lows during the quarter, at 3.5% in December. While this figure suggests a strong and resilient job market, the workforce remains much smaller than pre-pandemic times as more than two million workers remain out of the labor force.

PORTFOLIO IMPACTS

- Inflation fears continue to ease as domestic inflation fell further. Headline inflation was 6.5% year-over-year in December—the lowest since October 2021—while core inflation came in at 5.7%. Prices for most goods and services have moderated with the exception of shelter costs, which increased at a worryingly fast pace of 10.0% annualized in December.
- U.S. real personal spending held steady at 2.0% year-over-year in August. Households focused spending on services over goods, which has removed some stress from supply chains and likely helped to normalize global transportation issues. Relatively strong spending seems to suggest it is possible that inflation moderates without a painful slowdown in the economy.

THE INVESTMENT CLIMATE

- China’s rapid pivot away from a “Zero Covid” policy towards the end of Q4 added a large tailwind to emerging market equity performance and the global growth outlook. Despite this positive news, an uptick in virus cases poses challenges for China’s reopening.
- Credit performed well in the fourth quarter, as resilient U.S. economic growth combined with expectations for the Fed to ease their tightening cycle helped mitigate investor concerns of a near-term cyclical downturn.

ASSET ALLOCATION ISSUES

- Calendar year 2022 proved to be a year of *reversal* regarding asset class performance. Top performing investments of the past decade, such as U.S. growth and small cap stocks, suffered some of the largest losses. Meanwhile, many of the worst performing investments of the past decade, including commodities and value stocks, significantly outperformed.
- Value stocks outperformed markedly during 2022, outpacing growth stocks by 10.2% in Q4 and 21.6% for the year. Energy, industrials, and materials—sectors heavily tilted toward value—showed strong returns, with energy ending the year up 64.6%.

Markets have partially recovered as inflation fears eased

Recession risks and an earnings slowdown may come into focus in 2023

What drove the market in Q4?

“Has Inflation Peaked?”

HEADLINE CONSUMER PRICE INFLATION (YEAR-OVER-YEAR)

Jul	Aug	Sep	Oct	Nov	Dec
8.5%	8.3%	8.2%	7.7%	7.1%	6.5%

Article Source: Financial Times, December 8th, 2022

“The Labor Market is Still Hot”

CHANGE IN U.S. NONFARM PAYROLLS

Jul	Aug	Sep	Oct	Nov	Dec
+537k	+292k	+269k	+284k	+263k	+223k

Article Source: Axios, November 1st, 2022

“Fed Raises Rate by 0.5 Percentage Point, Signals More Increases Likely”

FOMC MEETING RATE HIKE DECISIONS

May	Jun	July	Sep	Nov	Dec
+50 bps	+75 bps	+75 bps	+75 bps	+75 bps	+50 bps

Article Source: Wall Street Journal, December 14th, 2022

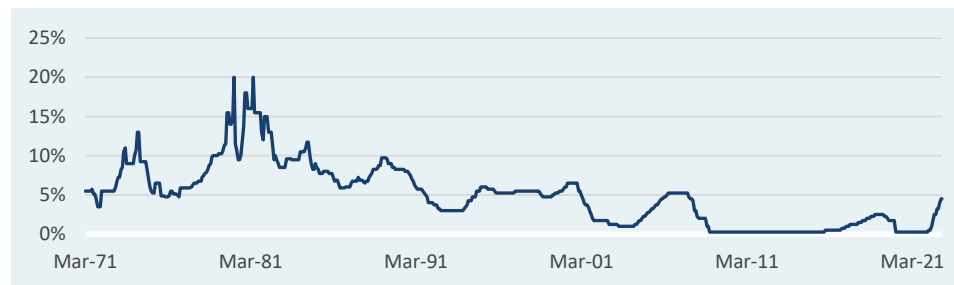
“China’s Covid Pivot Accelerates as Cities Ease Testing Rules”

CHINESE REPORTED NEW CASES (DAILY AVERAGE FOR THE MONTH)

Jul	Aug	Sep	Oct	Nov	Dec
559	1,629	1,158	1,340	18,914	14,748

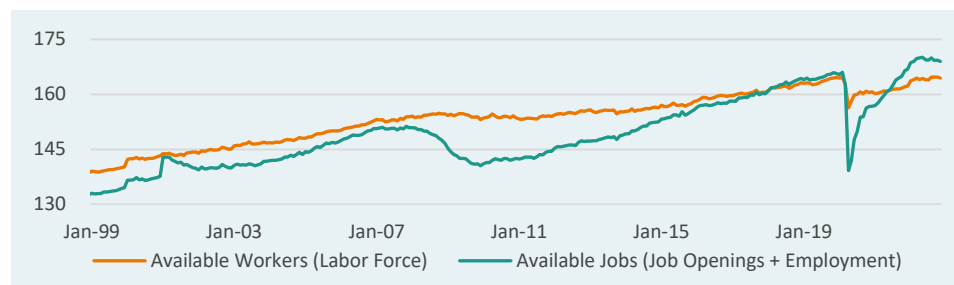
Article Source: Bloomberg, December 5th, 2022. Dataset from Our World in Data

FED FUNDS RATE UPPER BOUND



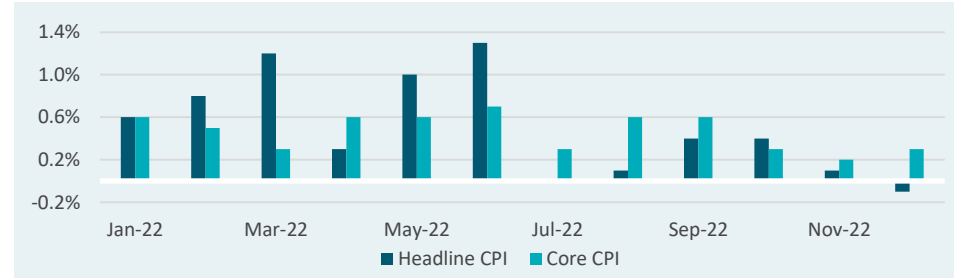
Source: Federal Reserve, as of 12/31/22

U.S. AVAILABLE WORKERS VS. AVAILABLE JOBS (MILLIONS)



Source: Bureau of Labor Statistics, as of 11/30/22

U.S. HEADLINE & CORE CPI (MONTH-OVER-MONTH)



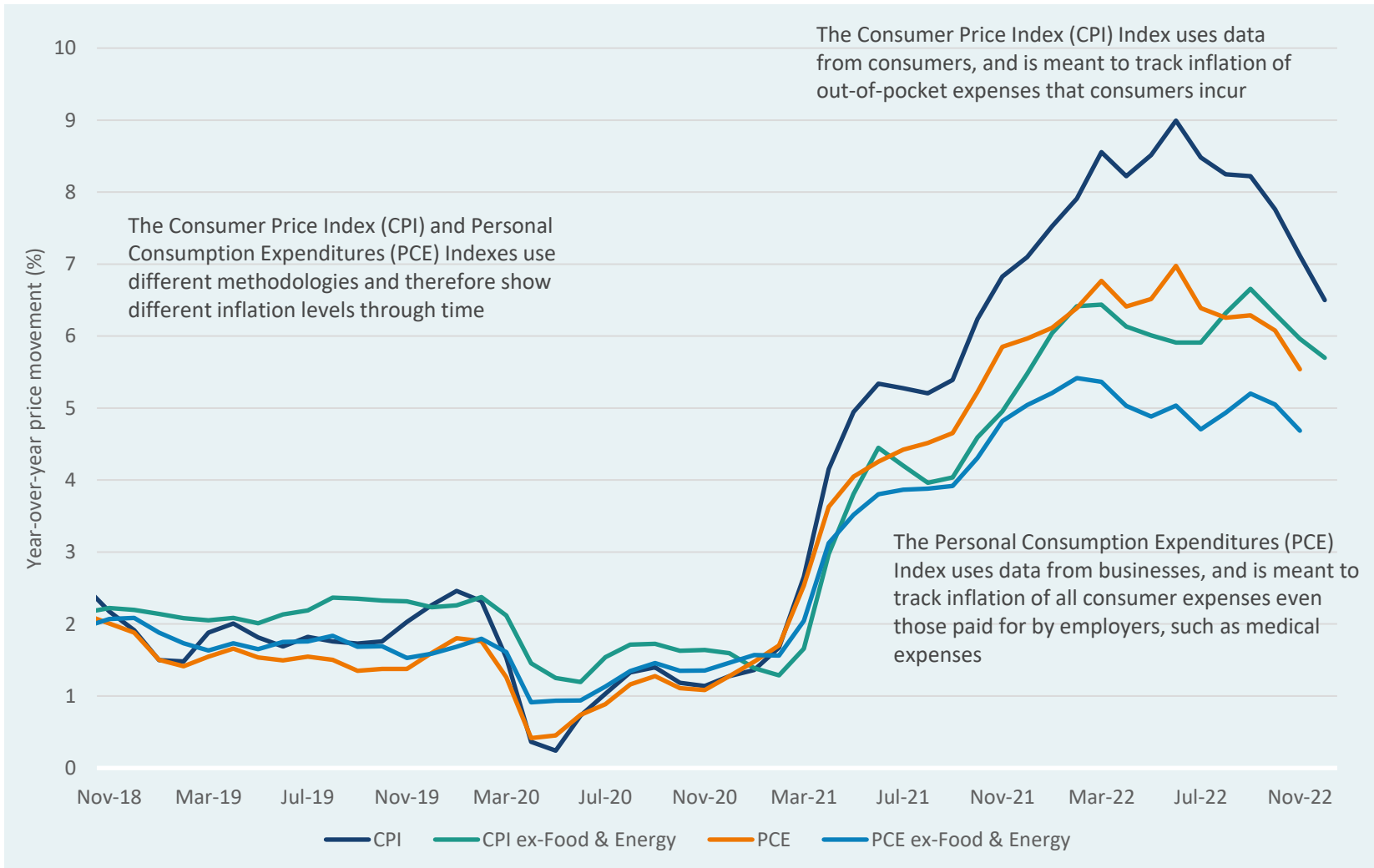
Source: Bureau of Labor Statistics, as of 12/31/22

U.S. economics summary

- Real GDP increased at a 2.9% rate in Q4 (1.0% year-over-year growth). Consumer spending, private inventory investment, government expenditures, and nonresidential investment supported the economy.
- Inflation fears continue to ease as domestic inflation fell further. December headline inflation came in at 6.5% year-over-year while core inflation (excluding food & energy) came in at 5.7%. Most goods and services price rises have slowed, with the exception of shelter costs, which increased at a worryingly fast pace of 10% annualized in December.
- Unemployment remained very low during the quarter, at 3.5% in December. While this official figure suggests a strong and resilient job market, the workforce remains much smaller than pre-pandemic times as more than two million workers are missing from the labor force.
- Consumer spending kept steady though savings rates dropped to 2.3%—a depressed level not seen since the mid-2000s. A low household savings rate is sometimes seen as an indicator of strong consumer confidence and spending, though we suspect household budgets are currently being hit hard by higher costs.
- Consumer sentiment improved during Q4 but is still very downbeat. In the most recent University of Michigan survey, respondents showed less concern around inflation, reported better business conditions and long-term outlook, but were pessimistic over personal finances.
- U.S. home prices peaked in June 2022 and have been falling since then, according to S&P CoreLogic. Significantly higher mortgage interest rates have led to the worst home affordability on record, according to the National Association of Realtors.

	Most Recent	12 Months Prior
Real GDP (YoY)	1.0% 12/31/22	5.7% 12/31/21
Inflation (CPI YoY, Core)	5.7% 12/31/22	5.5% 12/31/21
Expected Inflation (5yr-5yr forward)	2.2% 12/31/22	2.3% 12/31/21
Fed Funds Target Range	4.25% – 4.50% 12/31/22	0.00% – 0.25% 12/31/21
10-Year Rate	3.87% 12/31/22	1.51% 12/31/21
U-3 Unemployment	3.5% 12/31/22	3.9% 12/31/21
U-6 Unemployment	6.5% 12/31/22	7.3% 12/31/21

How are inflation conditions evolving?



Price rises have slowed considerably in recent months, which is bringing down official year-over-year inflation figures

Source: FRED, Verus, PCE data as of 11/30/22, CPI data as of 12/31/22

Labor market

Unemployment remained very low during the quarter, at 3.5% in December. This official figure suggests a strong and resilient job market for those workers who seek employment, although this data contrasts with media reports of fairly widespread layoff activity.

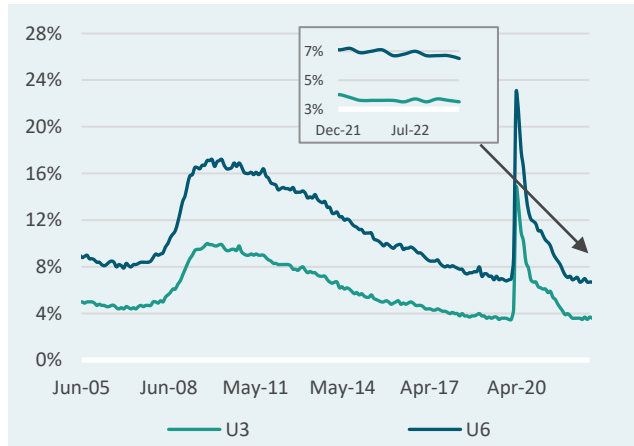
The labor participation rate also remained unchanged during the quarter. Low labor participation paints a different and much weaker picture of the job market, because this figure takes into account the workers *who are not seeking employment*. More than two million workers remain out of the labor force, relative to the pre-pandemic job market. Survey

and government-reported data suggests that much of this effect is due to “Long Covid” health troubles. Other variables such as early retirements, and parents taking time off to care for children, have also likely had a material impact on the size of the workforce.

The result of millions of Americans dropping out of the workforce has been a historically large mismatch regarding the number of jobs available and the number of workers available to fill those jobs. This gap remains wide, but has been closing recently as job openings have fallen.

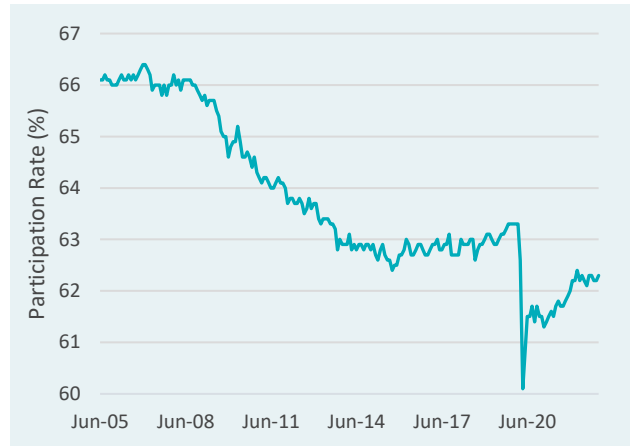
The labor market remains tight, though the size of workforce is much smaller relative to pre-pandemic times

U.S. UNEMPLOYMENT



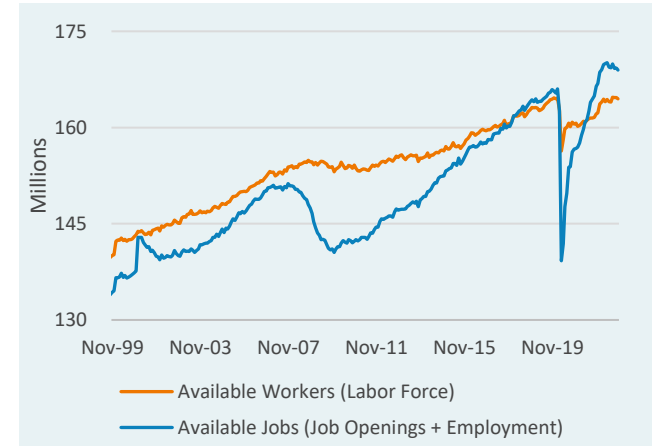
Source: FRED, as of 12/31/22

LABOR FORCE PARTICIPATION RATE



Source: FRED, as of 12/31/22

WORKERS AVAILABLE VS. AVAILABLE JOBS



Source: BLS, as of 11/30/22

The consumer

U.S. real (inflation-adjusted) personal consumption expenditures held steady in August, at 2.0% year-over-year. Households have focused spending on services rather than goods, which removed some stress from supply chains and likely helped to normalize transportation issues. Relatively strong spending seems to suggest it is possible that inflation moderates without a painful slowdown in the economy.

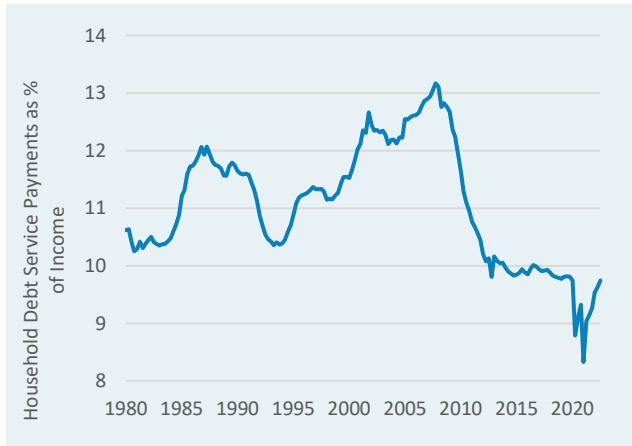
Spending has slowed but savings rates have also dropped to 2.3%—a depressed level not seen since the mid-2000s. A low household savings rate is sometimes seen as an indicator of

strong consumer confidence and spending, though in the current environment we suspect that household budgets are being hit hard by inflation and higher living costs.

Big ticket items such as automobiles have seen falling sales as higher interest rates make purchases less affordable and household budgets come under strain. The pressure of higher interest rates is reflected in *average debt payments relative to average income*—a metric which has risen towards pre-pandemic levels.

Household spending remains strong, though a very low savings rate may suggest budgets are being squeezed

DEBT SERVICE AS % HOUSEHOLD INCOME



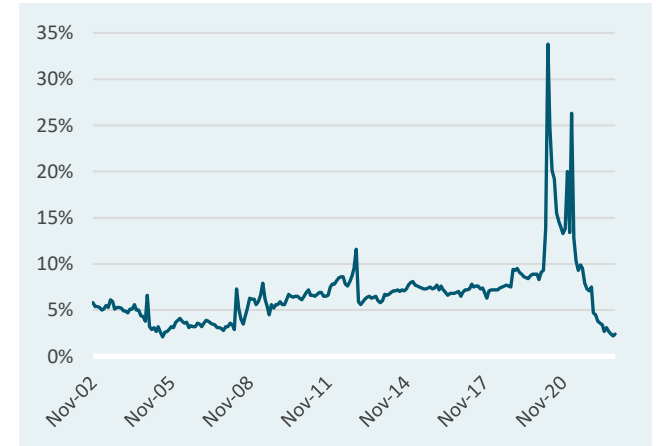
Source: FRED, as of 9/30/22

REAL PERSONAL CONSUMPTION



Source: FRED, as of 11/30/22

PERSONAL SAVINGS RATE



Source: FRED, as of 11/30/22

Housing

U.S. home prices peaked in June 2022 and have been falling since that time, according to the S&P CoreLogic Case-Shiller U.S. National Index. Significantly higher mortgage interest rates have led to the worst home affordability on record, as indicated by the National Association of Realtors.

Higher home prices and interest rates have also resulted in a sharp slowdown in sales activity—a notable change from the frothy environment that had occurred post-pandemic. Existing home sales activity has now fallen to a rate not seen since the real estate market was recovering from the housing

crisis during the early 2010s.

Conditions in housing today appear to be helping to *rebalance* the housing market, as suggested by the monthly supply of homes. Weaker sales volumes and worse affordability has meant that potential buyers have much more inventory to select from. The monthly supply of homes is now at 8.6 months, up from an all-time-low of 3.3 months in August 2020. As homes sit on the market unsold for longer, prices may need to fall further to attract buyers.

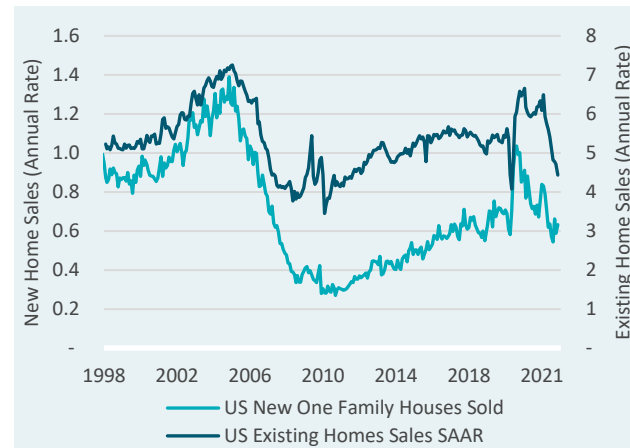
HOUSING AFFORDABILITY INDEX



Source: NAR, as of 11/30/22

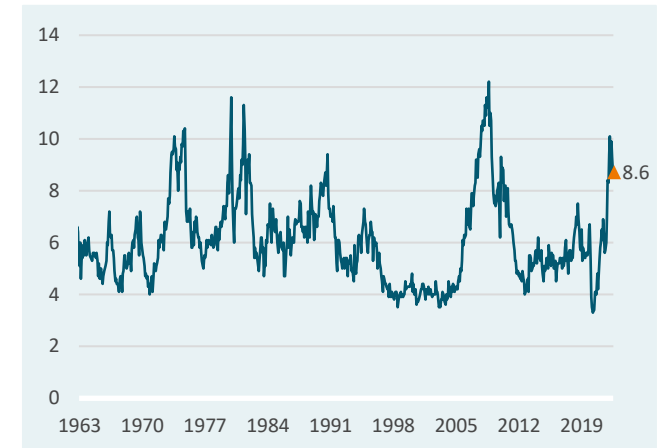
The Monthly Housing Affordability Index measures whether or not a typical family earns enough income to qualify for a mortgage loan on a typical home at the national and regional levels based on the most recent monthly price and income data

HOME SALES: NEW & EXISTING (MILLIONS)



Source: FRED, as of 10/31/22

MONTHLY SUPPLY OF HOMES



Source: FRED, as of 11/30/22

International economics summary

- Economic growth expectations continued to weaken, although the GDP outlook for emerging economies is starting to paint a more optimistic picture. Developed economies, specifically across the Eurozone and United Kingdom, are still facing the negative growth impacts of tighter financial conditions as inflation remains elevated.
- Inflation in both the Eurozone and U.K. has reinforced tighter policies from the ECB and BOE. While U.K. inflation fell to 10.7% from the 11.1% peak in October, interest rates are expected to be raised further (but in smaller increments). Eurozone inflation has shown signs of moving past its peak, although core inflation hit a new high of 5.2%, stoking fears that inflation may be spreading to core goods and services.
- Unemployment rates have remained stable over the quarter.

India stood out as an exception, where unemployment jumped from 6.4% to 8.3%.

- The war in Ukraine carried on despite temporary “ceasefires” declared by Russia. The fighting has intensified in Eastern Ukraine around Kharkiv, with a supporting effort in Southern Ukraine, as Russian forces attempt to secure frontline positioning in the Kherson Oblast.
- China’s rapid pivot away from a “Zero Covid” policy towards the end of the quarter added a large tailwind to the global growth outlook. Despite this positive news, a rapid uptick in COVID-19 cases challenges the timeline of the reopening story. Additionally, many wonder how a large uptick in global demand might impact inflation pressures at a time when advanced economies struggle specifically to reign in spending.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	1.0% 12/31/22	6.5% 12/31/22	3.5% 12/31/22
Eurozone	2.3% 9/30/22	9.2% 12/31/22	6.5% 11/30/22
Japan	1.5% 9/30/22	4.0% 12/31/22	2.4% 11/30/22
BRICS Nations	3.6% 9/30/22	3.5% 12/31/22	5.2% 12/31/21
Brazil	3.6% 9/30/22	5.8% 12/31/22	8.3% 10/31/22
Russia	(3.7%) 9/30/22	11.9% 12/31/22	3.7% 11/30/22
India	6.3% 9/30/22	5.7% 12/31/22	8.3% 12/31/22
China	3.9% 9/30/22	1.8% 12/31/22	5.7% 11/30/22

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.

International economics

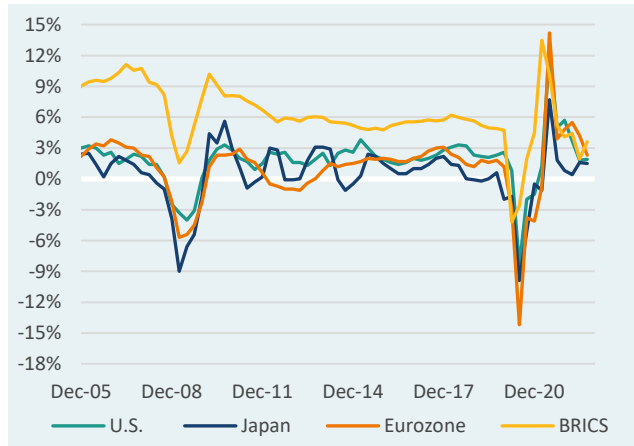
Growth expectations outside of the U.S. contracted over the quarter, with the largest moves coming from developed economies. The IMF cut its GDP forecast by 0.7% and 0.2% for the Eurozone and U.K. in their October outlook (now expecting 2023 GDP of 0.5% and 0.3%, respectively) as the European Central Bank and Bank of England struggle to rein in record high inflation. Japan saw a smaller downward revision of 0.1%, with 2023 growth expectations now at 1.6%.

The outlook for emerging markets is much more optimistic. Most countries have avoided the high inflation seen in developed markets. A rapid reopening of the Chinese economy

is likely providing a tailwind to growth, although the timing remains unclear due to another wave of COVID-19 infections. The 2023 GDP forecast for emerging economies per Bloomberg ticked down from 4.3% to 3.9% over the quarter, but emerging economy growth is still expected to far exceed that of developed economies (developed economy 2023 GDP expectations sit at 0.4%, according to the IMF).

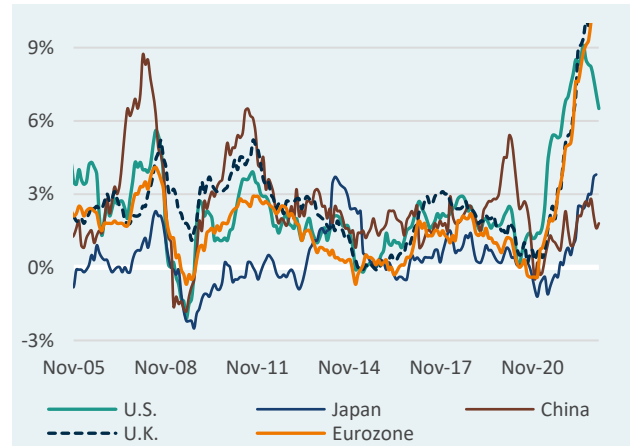
Despite the slowdown in economic growth, employment remains stable amongst the regions we track. India stood out as an exception, where unemployment jumped from 6.4% to 8.3% during Q4.

REAL GDP GROWTH (YOY)



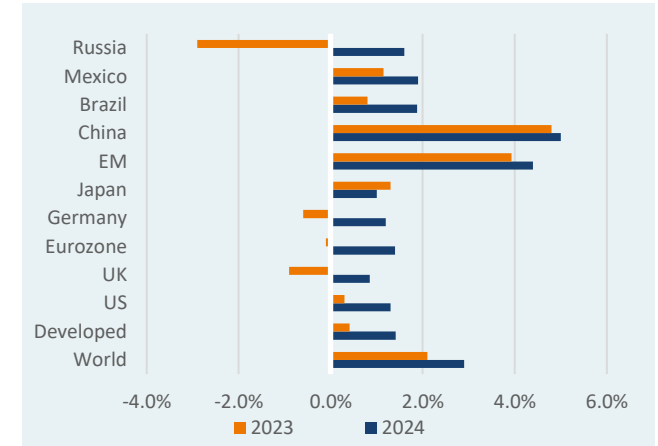
Source: Bloomberg, as of 9/30/22

INFLATION (CPI YOY)



Source: Bloomberg, as of 12/31/22 – or most recent release

ECONOMIC GROWTH FORECASTS



Source: Bloomberg, as of 12/31/22 – or most recent release

Equity environment

- U.S. equities delivered their only positive quarterly return of 2022 during Q4 (S&P 500 +7.6%), helping to dampen the index’s worst calendar year performance since 2008 (-18.1% loss in 2022). Higher interest rates and recession fears contributed to poor returns.
- U.S. corporate earnings in Q3 grew 2.4% from the year prior, marking the slowest rate of growth since Q3 2020. Per FactSet, earnings are projected to decline by -4.1% in Q4, which would mark the first decline in U.S. earnings since 2020.
- Many equity markets now trade at valuation levels near historical averages as rising rates and growth concerns have contributed to more attractive pricing. The S&P 500 forward P/E ratio of 18.3 (as of November 30th) is under the five-year average of 18.6 and the ten-year average of 20.2.
- Currency movements continued to create portfolio volatility for investors with unhedged exposure to foreign currencies. The U.S. dollar depreciated sharply during Q4 which resulted in a large gain of 7.6% for investors with unhedged foreign currency exposure (+17.3% MSCI EAFE unhedged, +9.7% MSCI EAFE hedged).
- Value stocks outpaced growth stocks by 10.2% in Q4 and by 21.6% for the year. Energy, industrials, and materials—sectors which are heavily tilted toward value—showed strong returns, with energy ending the year up 64.6%.
- Implied volatility fell significantly over the quarter, as the Cboe VIX Index moved from 31.6 to 21.7. Equity markets advanced on cooling inflation, potential for less aggressive central bank action, and perhaps optimism around China’s reopening.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	7.6%		(18.1%)	
U.S. Small Cap (Russell 2000)	6.2%		(20.4%)	
U.S. Equity (Russell 3000)	7.2%		(19.2%)	
U.S. Large Value (Russell 1000 Value)	12.4%		(7.5%)	
US Large Growth (Russell 1000 Growth)	2.2%		(29.1%)	
Global Equity (MSCI ACWI)	9.8%	7.6%	(18.4%)	(15.5%)
International Large (MSCI EAFE)	17.3%	9.7%	(14.5%)	(4.6%)
Eurozone (EURO STOXX 50)	24.8%	15.7%	(15.1%)	(7.0%)
U.K. (FTSE 100)	17.1%	9.3%	(7.0%)	5.9%
Japan (NIKKEI 225)	11.3%	1.4%	(18.9%)	(5.2%)
Emerging Markets (MSCI Emerging Markets)	9.7%	6.7%	(20.1%)	(16.3%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 12/31/22

Equity valuations

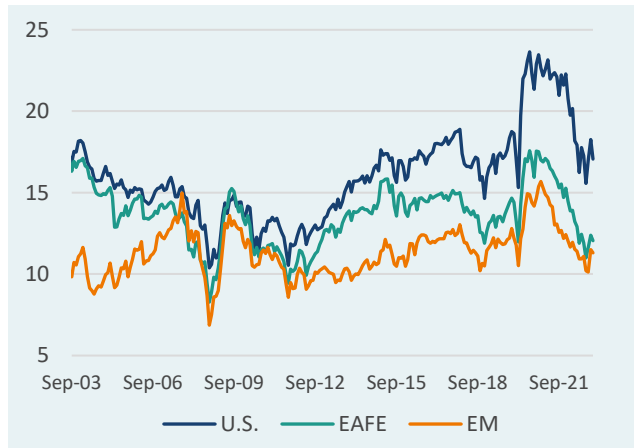
Many markets now trade at valuation levels near their historical average as inflation and rising interest rates have brought prices down. The S&P 500 forward P/E ratio of 17.1 is below the five- and ten-year averages of 18.6 and 20.2, respectively. The Federal Reserve remains in focus for U.S. investors as valuations over the past decade have been lifted by low interest rates. International equity valuations are depressed but may be further challenged by inflation and recession. Emerging market equities appear to be poised for a strong recovery, given a more positive growth outlook, and

as China's reopening could improve fundamentals and bring the asset class back into favor.

International developed equities remain inexpensive relative to U.S. equities, but developed markets face significant long-term headwinds. In Q4, gains in the Euro and Yen and an easing energy crisis boosted international developed equity returns, but high inflation, high debt and low growth in Japan, poor demographics, and a hawkish ECB make for a challenged long-term outlook.

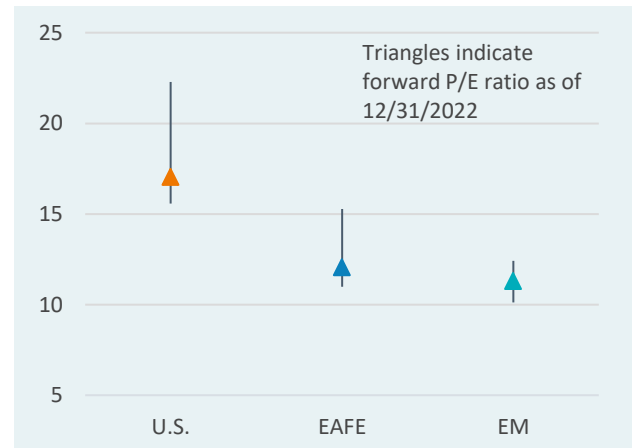
International developed equities remain extremely cheap relative to U.S. markets

FORWARD P/E RATIOS



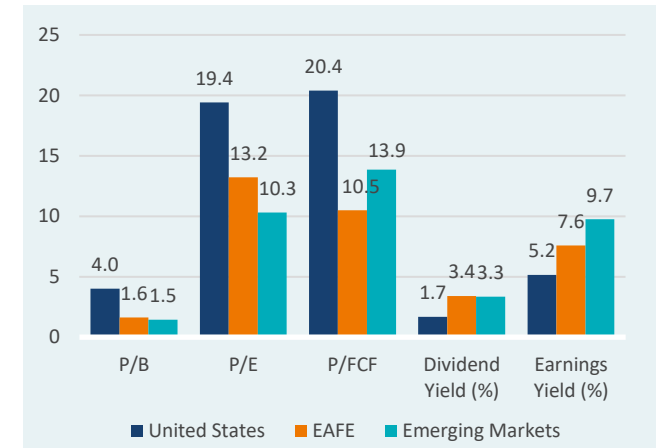
Source: MSCI, 12m forward P/E, as of 12/31/22

FORWARD P/E RATIO RANGES (DURING 2022)



Source: MSCI, 12m forward P/E, as of 12/31/22

VALUATION METRICS (3-MONTH AVERAGE)



Source: Bloomberg, MSCI, as of 12/31/22 - trailing P/E

Fixed income environment

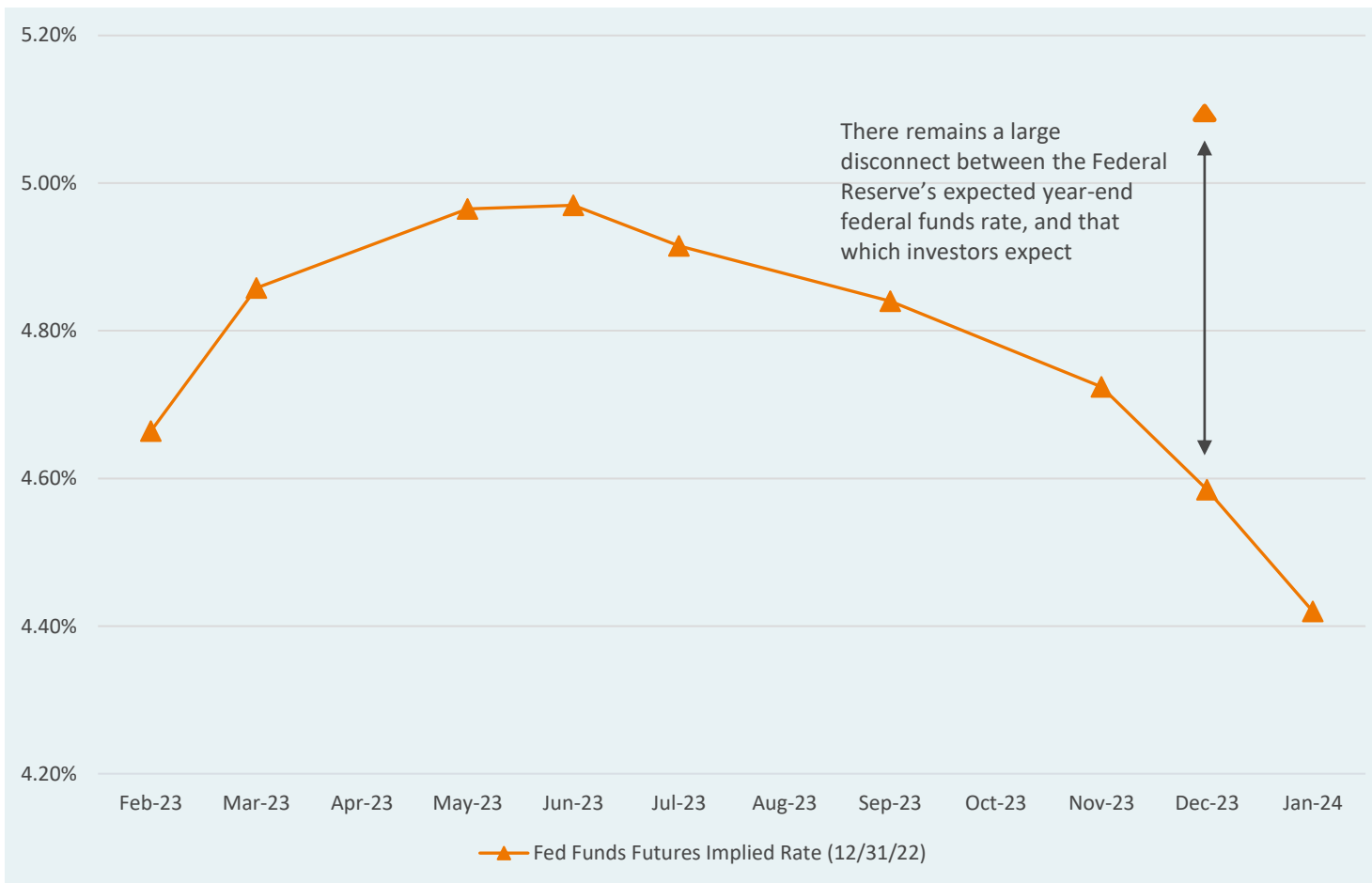
- The 10-year U.S. Treasury yield ended the quarter unchanged at 3.8%. It is possible that long-term interest rates have already reached a cyclical peak, assuming inflation continues to fall and the Federal Reserve becomes less aggressive.
- Credit performance was positive during the fourth quarter, with riskier exposures such as U.S. high yield and emerging market debt (both local and hard currency) leading the pack. Expectations for a slowdown in Federal Reserve rate hikes, and a rosier U.S. economic environment, have provided a tailwind to the credit space.
- Default activity in high yield bonds and bank loans remained subdued during Q4. Throughout the year, 17 companies defaulted totaling \$26.3 billion, with large defaults concentrated in the Healthcare sector which accounted for over 36% of total dollar volume. Default rates for par-weighted U.S. high yield and bank loans remained very low at 0.8% and 1.0%, respectively.
- The U.S. yield curve inversion reached historically negative levels, with the 10-year 2-year yield spread seeing its widest inversion since 1981 (short-term interest rates being higher than long-term interest rates). The negative spread bottomed out at ~81 bps on December 5th before gradually easing during the latter half of the month.
- Derivative markets are beginning to clash with Federal Reserve projections, as investors are pricing in a shorter tightening cycle relative to that indicated by comments from Federal Reserve officials. Federal Funds futures reflect a target interest rate of approximately 4.6% by the end of 2023, which compares to 5.1% indicated by the Federal Reserve's December Summary of Economic Projections.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	1.9%	(13.0%)
Core Plus Fixed Income (Bloomberg U.S. Universal)	2.2%	(13.0%)
U.S. Treasuries (Bloomberg U.S. Treasury)	0.7%	(12.5%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	4.2%	(11.2%)
Bank Loans (S&P/LSTA Leveraged Loan)	2.7%	(0.6%)
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	8.5%	(11.7%)
Emerging Market Debt Hard (JPM EMBI Global Diversified)	8.1%	(17.8%)
Mortgage-Backed Securities (Bloomberg MBS)	2.1%	(11.8%)

Source: Bloomberg, as of 12/31/22

Markets more optimistic than the Fed

FED FUNDS FUTURES IMPLIED FED RATE



Markets expected the federal funds rate to rise to a peak of near 5.0% in Spring of 2023, followed by rate cuts throughout the remainder of the year

This contrasts sharply with forecasts from the Federal Reserve, which indicates a federal funds rate projection for the end of 2023 of **5.1%**

Source: Bloomberg, as of 12/31/22

Credit environment

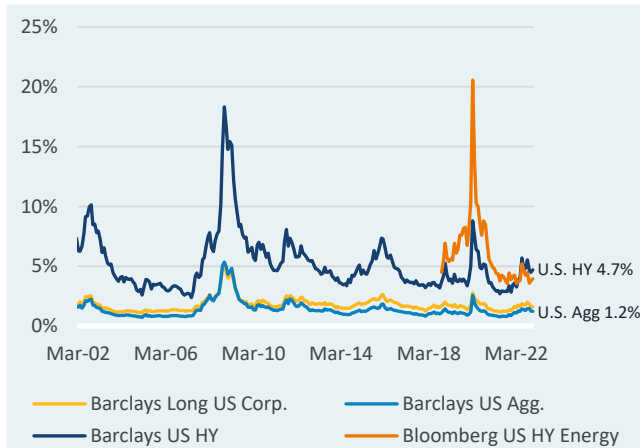
During the fourth quarter, markets began pricing in an eventual end to the Federal Reserve rate hiking cycle. This supported the performance of credit assets, as well as stronger-than-expected U.S. economic data which helped alleviate recession fears. High yield credit returns led the way with 4.2%, followed by 3.6% from investment grade credit and 2.3% from bank loans.

Credit spreads broadly tightened, with investment grade spreads falling to 130 bps from their high of 165 bps in Q3. High yield spreads compressed further, moving from 552 bps to 469 bps over the quarter. Despite calendar year returns of investment grade credit being the worst on record at -15.8%, and two consecutive years of negative returns, spreads have

widened less than anticipated. This suggests spreads could expand from these levels if conditions deteriorate.

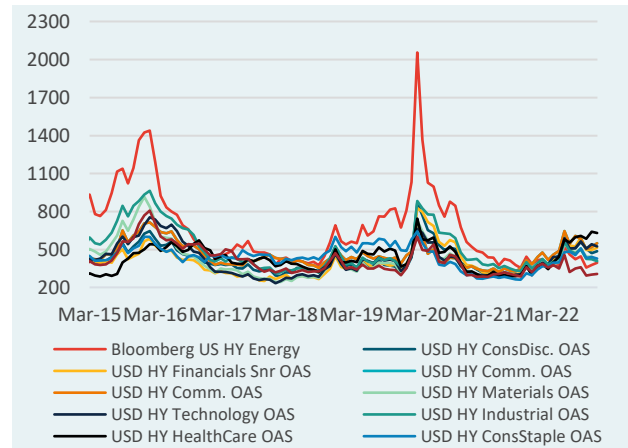
The total yield of high yield credit declined modestly throughout Q4, ending the quarter at 9.0%, which was 71 bps below Q3 yields but still elevated far above yields to start 2022. The Bloomberg US Corporate Investment Grade Index saw similar movement, with yields declining to 5.4% from 5.7% during the quarter, though still significantly higher than 2.4% to start the year. More attractive yield levels have the potential to drive demand for fixed income broadly, though concerns around growth and recession may act as headwinds to the spread-sensitive performance of higher risk credit.

SPREADS



Source: Barclays, Bloomberg, as of 12/31/22

HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 12/31/22

Market	Credit Spread (OAS)	
	12/31/22	12/31/21
Long U.S. Corp	1.6%	1.3%
U.S. Inv Grade Corp	1.3%	0.9%
U.S. High Yield	4.7%	2.8%
U.S. Bank Loans*	5.9%	4.3%

Source: Barclays, Credit Suisse, Bloomberg, as of 12/31/22

*Discount margin (4-year life)

Currency

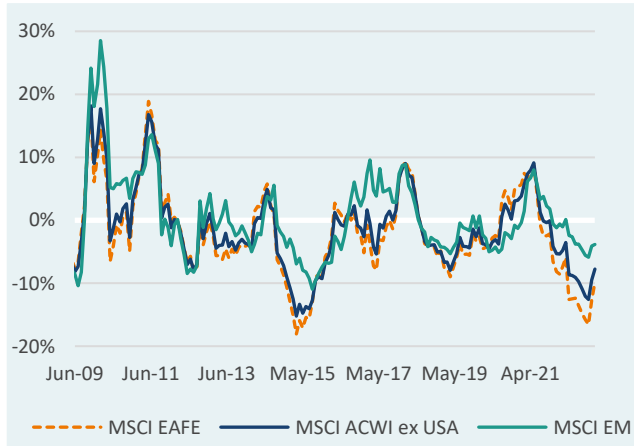
Currency volatility has translated to much higher portfolio volatility for investors with unhedged exposure to foreign currencies. The U.S. dollar depreciated relative to major currencies during the fourth quarter which resulted in large gains for investors with unhedged foreign currency exposure. These currency gains amounted to 7.6% for investors with unhedged exposure to the MSCI EAFE Index (+17.3% MSCI EAFE unhedged, +9.7% MSCI EAFE hedged).

U.S. dollar strength of 2022 was reversed in Q4 as markets began pricing in a shorter Federal Reserve tightening cycle. Expectations for lower rates in the U.S., combined with an ongoing struggle to control high inflation (and therefore tighter financial policies from respective central banks)

within developed economies, likely played a major role in the U.S. dollar sell-off.

Despite currency gains seen this quarter, we believe that a thoughtful currency program may allow an investor to reduce their total portfolio risk while also increasing long-term expected returns. The MSCI Currency Factor Mix Index—a representation of a passive investment in the currency market—has shown a positive one-year rolling return over most periods with very low volatility. This contrasts to the unhedged currency exposure (what we refer to as “embedded currency”) that most investors own, which has shown high volatility and frequent losses.

EFFECT OF CURRENCY (1-YEAR ROLLING)



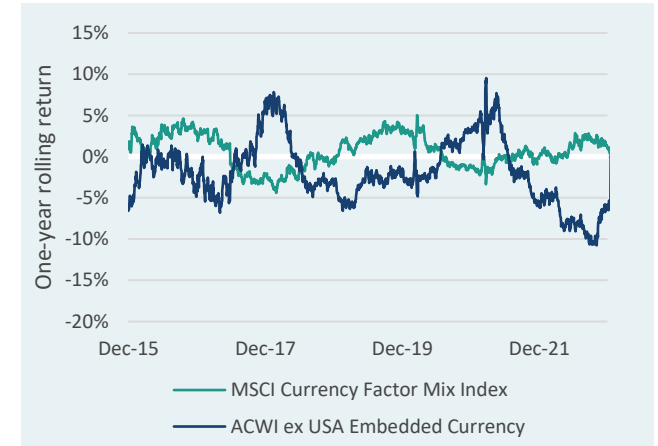
Source: MSCI, as of 12/31/22

BLOOMBERG DOLLAR SPOT INDEX



Source: Bloomberg, as of 12/31/22

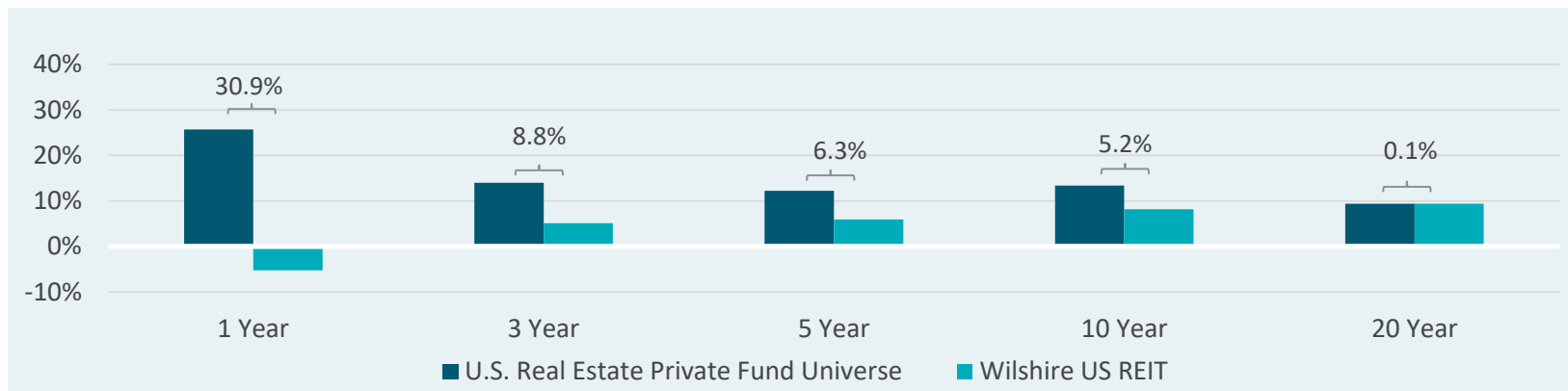
EMBEDDED CURRENCY VS CURRENCY FACTORS



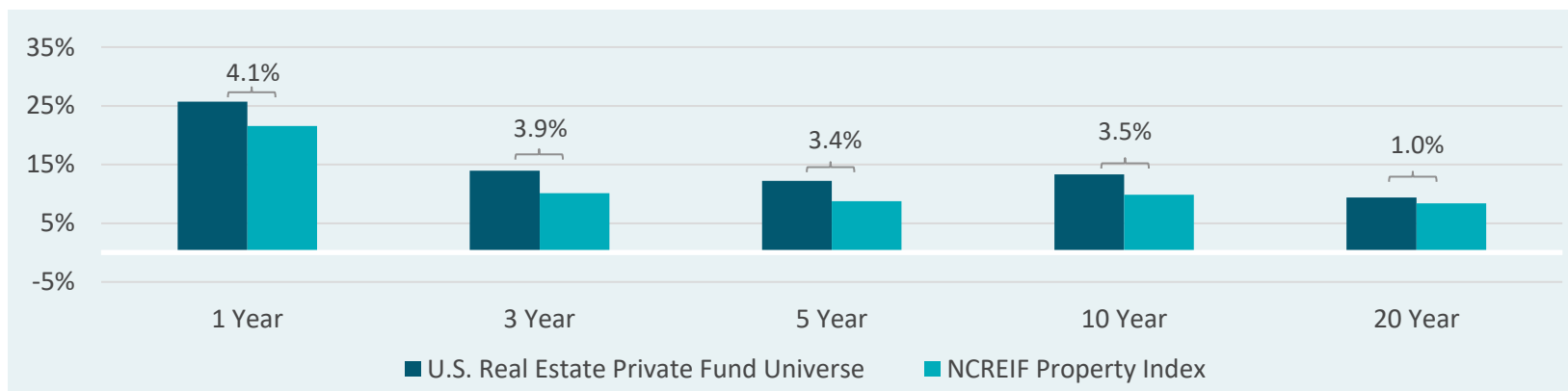
Source: Bloomberg, as of 12/31/22

Private vs. liquid and core real estate performance

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. funds outperformed the Wilshire U.S. REIT Index across all time periods, though short-term outperformance may be transitory due to appraisal lags

U.S. Private R.E. Funds outperformed across all periods

Sources: Refinitiv PME: U.S. Real Estate universes as of June 30, 2022. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(5.8)	7.6	(18.1)	(18.1)	7.7	9.4	12.6
S&P 500 Equal Weighted	(4.7)	11.6	(11.4)	(11.4)	9.0	9.1	12.4
DJ Industrial Average	(4.1)	16.0	(6.9)	(6.9)	7.3	8.4	12.3
Russell Top 200	(6.0)	6.6	(19.8)	(19.8)	7.9	9.9	12.9
Russell 1000	(5.8)	7.2	(19.1)	(19.1)	7.3	9.1	12.4
Russell 2000	(6.5)	6.2	(20.4)	(20.4)	3.1	4.1	9.0
Russell 3000	(5.9)	7.2	(19.2)	(19.2)	7.1	8.8	12.1
Russell Mid Cap	(5.4)	9.2	(17.3)	(17.3)	5.9	7.1	11.0
Style Index							
Russell 1000 Growth	(7.7)	2.2	(29.1)	(29.1)	7.8	11.0	14.1
Russell 1000 Value	(4.0)	12.4	(7.5)	(7.5)	6.0	6.7	10.3
Russell 2000 Growth	(6.4)	4.1	(26.4)	(26.4)	0.6	3.5	9.2
Russell 2000 Value	(6.6)	8.4	(14.5)	(14.5)	4.7	4.1	8.5

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(3.9)	9.8	(18.4)	(18.4)	4.0	5.2	8.0
MSCI ACWI ex US	(0.7)	14.3	(16.0)	(16.0)	0.1	0.9	3.8
MSCI EAFE	0.1	17.3	(14.5)	(14.5)	0.9	1.5	4.7
MSCI EM	(1.4)	9.7	(20.1)	(20.1)	(2.7)	(1.4)	1.4
MSCI EAFE Small Cap	1.1	15.8	(21.4)	(21.4)	(0.9)	(0.0)	6.2
Style Index							
MSCI EAFE Growth	(1.1)	15.0	(22.9)	(22.9)	0.5	2.5	5.6
MSCI EAFE Value	1.3	19.6	(5.6)	(5.6)	0.6	0.2	3.5
Regional Index							
MSCI UK	(0.4)	17.0	(4.8)	(4.8)	0.3	1.0	3.1
MSCI Japan	0.3	13.2	(16.6)	(16.6)	(1.0)	0.2	5.6
MSCI Euro	(0.5)	23.0	(17.2)	(17.2)	0.5	0.8	4.3
MSCI EM Asia	(0.8)	10.8	(21.1)	(21.1)	(1.3)	(0.6)	3.6
MSCI EM Latin American	(4.0)	5.7	8.9	8.9	(4.8)	(1.1)	(2.1)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(1.0)	2.0	(11.8)	(11.8)	1.2	2.1	1.1
Bloomberg US Treasury Bills	0.4	0.9	1.3	1.3	0.7	1.2	0.8
Bloomberg US Agg Bond	(0.5)	1.9	(13.0)	(13.0)	(2.7)	0.0	1.1
Bloomberg US Universal	(0.3)	2.2	(13.0)	(13.0)	(2.5)	0.2	1.3
Duration							
Bloomberg US Treasury 1-3 Yr	0.2	0.7	(3.8)	(3.8)	(0.5)	0.7	0.7
Bloomberg US Treasury Long	(1.7)	(0.6)	(29.3)	(29.3)	(7.4)	(2.2)	0.6
Bloomberg US Treasury	(0.5)	0.7	(12.5)	(12.5)	(2.6)	(0.1)	0.6
Issuer							
Bloomberg US MBS	(0.4)	2.1	(11.8)	(11.8)	(3.2)	(0.5)	0.7
Bloomberg US Corp. High Yield	(0.6)	4.2	(11.2)	(11.2)	0.0	2.3	4.0
Bloomberg US Agency Interm	0.0	0.8	(6.5)	(6.5)	(1.3)	0.4	0.7
Bloomberg US Credit	(0.4)	3.4	(15.3)	(15.3)	(2.9)	0.4	1.8

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(2.4)	2.2	16.1	16.1	12.7	6.4	(1.3)
Wilshire US REIT	(5.6)	4.0	(26.8)	(26.8)	(0.5)	3.4	6.3
CS Leveraged Loans	0.4	2.3	(1.1)	(1.1)	2.3	3.2	3.8
S&P Global Infrastructure	(2.2)	11.0	(0.2)	(0.2)	1.7	3.9	6.5
Alerian MLP	(4.7)	10.5	31.4	31.4	8.3	3.6	2.1
Regional Index							
JPM EMBI Global Div	0.3	8.1	(17.8)	(17.8)	(5.3)	(1.3)	1.6
JPM GBI-EM Global Div	2.2	8.5	(11.7)	(11.7)	(6.1)	(2.5)	(2.0)
Hedge Funds							
HFRI Composite	(0.4)	2.2	(4.3)	(4.3)	5.7	4.4	4.7
HFRI FOF Composite	0.9	2.4	(4.7)	(4.7)	3.9	3.2	3.6
Currency (Spot)							
Euro	3.7	8.9	(6.2)	(6.2)	(1.7)	(2.3)	(2.1)
Pound Sterling	1.0	7.8	(11.2)	(11.2)	(3.2)	(2.3)	(3.0)
Yen	5.8	9.7	(12.7)	(12.7)	(6.3)	(3.1)	(4.1)

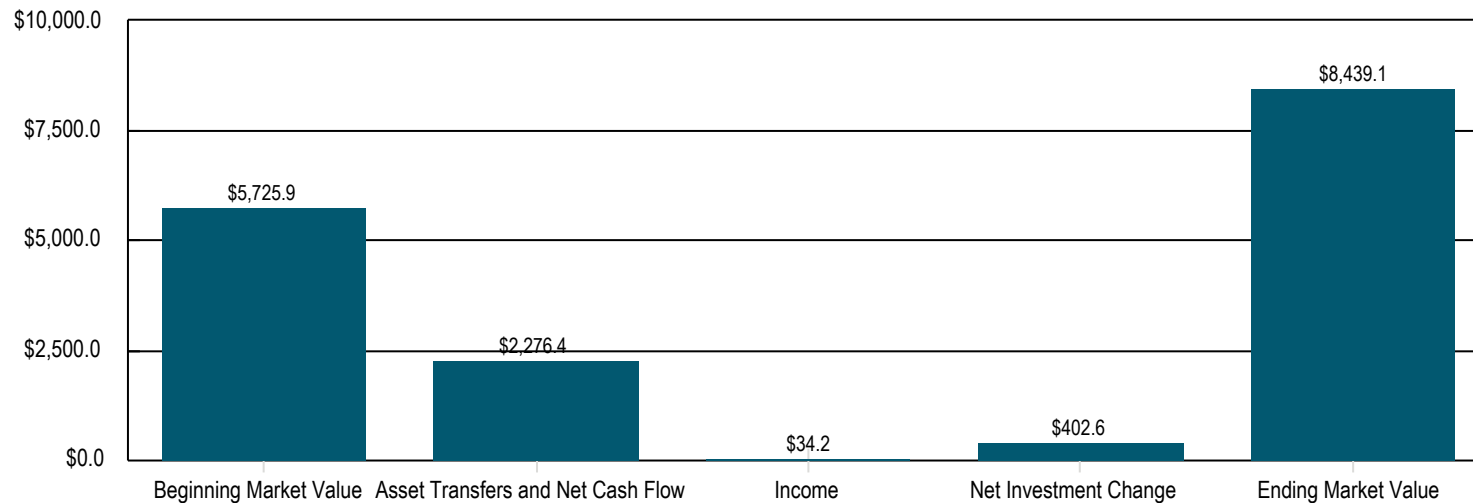
Source: Morningstar, HFRI, as of 12/31/22.

Investment Performance

Portfolio Reconciliation

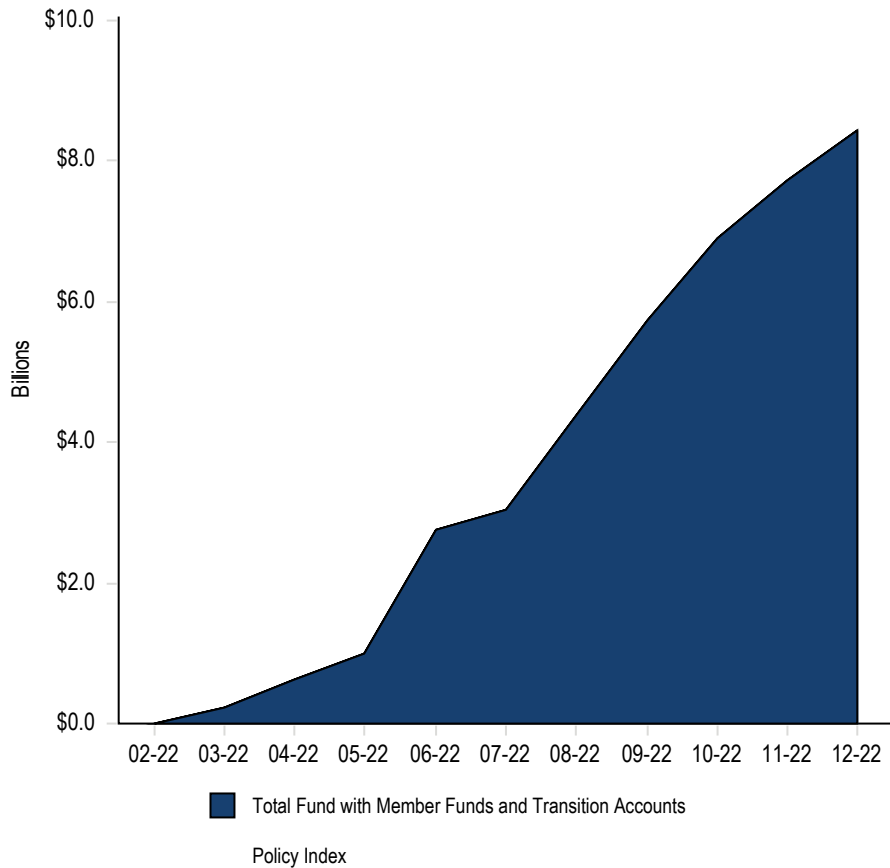
	Quarter-To-Date
Beginning Market Value	\$5,725,892,654
Asset Transfers and Net Cash Flow	\$2,276,402,324
Income	\$34,217,421
Net Investment Change	\$402,611,437
Ending Market Value	\$8,439,123,835

Change in Market Value
Last Three Months

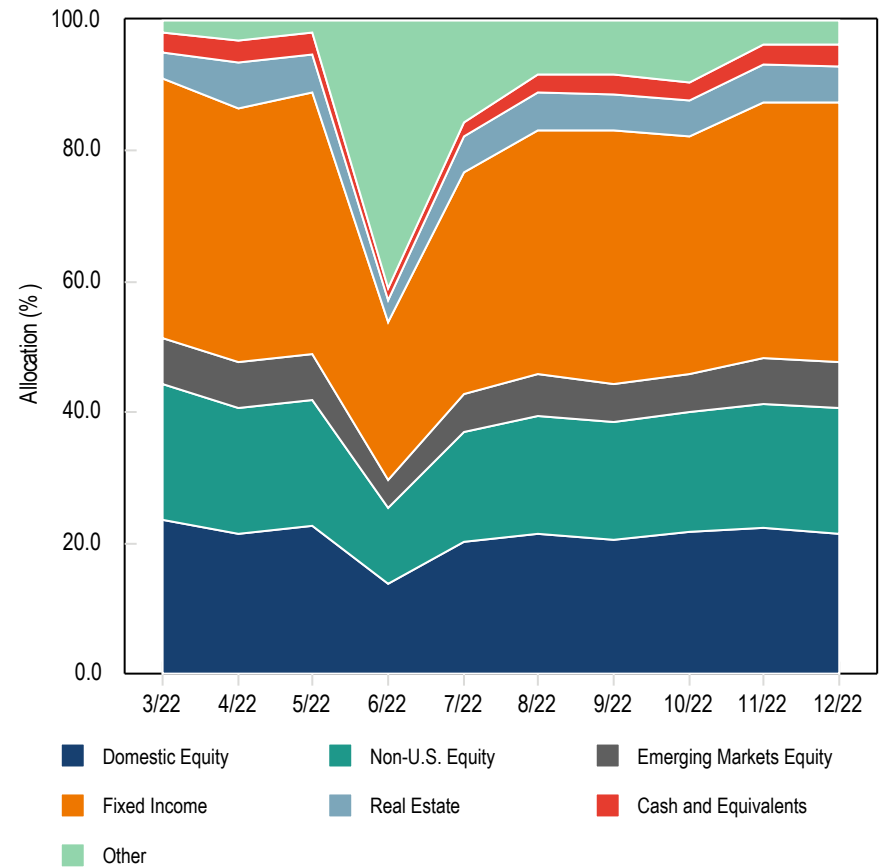


The portfolio reconciliation includes the Member Funds and Transition Account. Income excludes Member Funds and Transition Account. Income is calculated using the actual dividend and income received from separate accounts and estimated income and dividends for commingled funds. The income and dividends for RhumbLine Russell 1000 Index, RhumbLine Russell 2000 Index, SSgA US TIPS Index and Cash are sourced from State Street custodial reports. The income and dividends for the SSgA commingled funds are an estimate based on the current yield for bond funds and the dividend yield for equity funds. SSgA can use dividend and income to cover fund expenses, so the actual income that flows to the IPOPIF may be different than reported. Income for the Principal RE fund is based on a monthly income spreadsheet received from Principal via email.

Market Value History



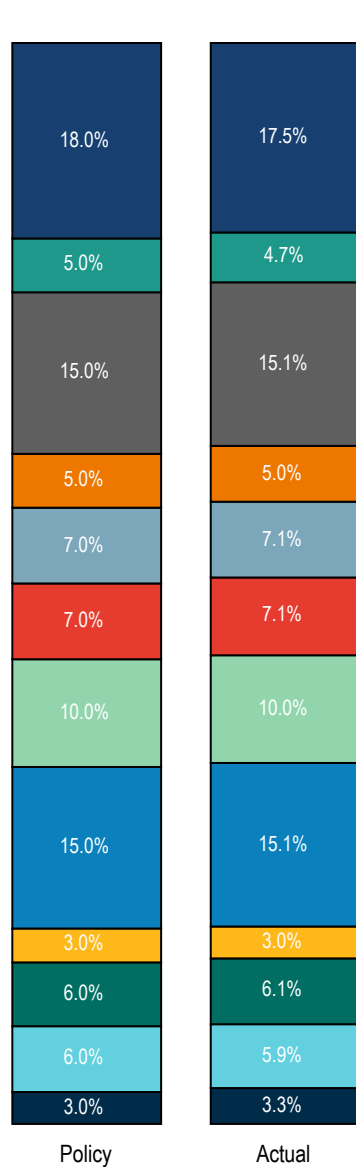
Asset Allocation History



*Market value and asset class history includes Transition Accounts and Member Funds as represented by the Other category in the asset allocation history chart. The Other category reflects the June 24th transfers into the Members Funds account.

IPOPIF Investment Portfolio
Asset Allocation vs. Policy

Illinois Police Officers' Pension Investment Fund
Period Ending: December 31, 2022



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (%)	Excess Allocation (\$)	Policy Range (%)	Within IPS Range?
Domestic Equity Large Cap	1,419,543,922	17.5	18.0	-0.5	-42,880,901	16.0 - 20.0	Yes
Domestic Equity Small Cap	385,767,696	4.7	5.0	-0.3	-20,461,421	4.0 - 6.0	Yes
International Equity Large Cap	1,227,651,529	15.1	15.0	0.1	8,964,177	13.0 - 17.0	Yes
International Equity Small Cap	409,690,499	5.0	5.0	0.0	3,461,382	4.0 - 6.0	Yes
Emerging Markets Equity	579,104,090	7.1	7.0	0.1	10,383,325	6.0 - 8.0	Yes
Domestic Fixed Income Core	573,459,757	7.1	7.0	0.1	4,738,992	6.0 - 8.0	Yes
Domestic Fixed Income High Yield	814,479,099	10.0	10.0	0.0	2,020,865	9.0 - 11.0	Yes
Domestic Fixed Income Short Term	1,227,903,318	15.1	15.0	0.1	9,215,966	14.0 - 16.0	Yes
Domestic Fixed Income Real Return	243,800,835	3.0	3.0	0.0	63,365	2.5 - 3.5	Yes
Emerging Markets Fixed Income	499,100,060	6.1	6.0	0.1	11,625,119	5.0 - 7.0	Yes
Real Estate	476,734,650	5.9	6.0	-0.1	-10,740,291	5.0 - 7.0	Yes
Cash and Equivalents	267,346,893	3.3	3.0	0.3	23,609,423	0.0 - 5.0	Yes
Total	8,124,582,347	100.0	100.0	0.0			

Asset Allocation reflects short-term policy targets and excludes the Transition Account and Member Funds.

Total Fund
Executive Summary (Gross of Fees)

Illinois Police Officers' Pension Investment Fund
Period Ending: December 31, 2022

	Market Value	% of Portfolio	3 Mo	Since 04/01/2022
Total Fund with Member Funds and Transition Accounts	8,439,123,835	100.0	6.7	-8.8
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
IPOPIF Investment Portfolio	8,124,582,347	96.3	6.8	-9.0
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
Growth	4,021,757,736	47.7	11.0	-12.8
<i>Growth Benchmark</i>			10.4	-13.2
Income	1,313,579,159	15.6	5.8	-9.1
<i>Income Benchmark</i>			5.7	-6.8
Inflation Protection	720,535,485	8.5	0.7	-9.1
<i>Inflation Protection Benchmark</i>			1.5	-11.6
Risk Mitigation	2,068,709,968	24.5	1.1	-2.8
<i>Risk Mitigation Benchmark</i>			1.2	-2.7
Transition Accounts	280,635,591	3.3		
Member Accounts	33,905,897	0.4		

Total Fund
Executive Summary (Gross of Fees)

Illinois Police Officers' Pension Investment Fund
Period Ending: December 31, 2022

	Market Value	% of Portfolio	3 Mo	Since 04/01/2022
Total Fund with Member Funds and Transition Accounts	8,439,123,835	100.0	6.7	-8.8
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
<i>All Public Plans > \$1B-Total Fund Rank</i>			12	66
IPOPIF Investment Portfolio	8,124,582,347	96.3	6.8	-9.0
<i>Policy Index</i>			6.6	-9.3
<i>Policy Index- Broad Based</i>			8.4	-12.6
<i>All Public Plans > \$1B-Total Fund Rank</i>			12	76
Growth	4,021,757,736	47.7	11.0	-12.8
<i>Growth Benchmark</i>			10.4	-13.2
RhumbLine Russell 1000 Index	1,419,543,922	16.8	7.2	-14.9
<i>Russell 1000 Index</i>			7.2	-14.8
<i>eV US Large Cap Core Equity Rank</i>			76	86
RhumbLine Russell 2000 Index	385,767,696	4.6	6.2	-14.2
<i>Russell 2000 Index</i>			6.2	-14.0
<i>eV US Small Cap Core Equity Rank</i>			85	81
SSgA Non-US Developed Index	1,227,651,529	14.5	16.2	-9.7
<i>MSCI World ex U.S. (Net)</i>			16.2	-10.0
<i>eV EAFE Core Equity Rank</i>			54	45
SSgA Non-US Developed SC Index	409,690,499	4.9	15.1	-14.1
<i>MSCI World ex U.S. Small Cap Index (Net)</i>			15.2	-14.4
<i>eV EAFE Small Cap Core Rank</i>			79	77
SSgA Emerging Markets Equity Index	579,104,090	6.9	10.3	-13.3
<i>MSCI Emerging Markets (Net)</i>			9.7	-14.1
<i>eV Emg Mkts Equity Rank</i>			53	51
Income	1,313,579,159	15.6	5.8	-9.1
<i>Income Benchmark</i>			5.7	-6.8
SSgA High Yield Corporate Credit	814,479,099	9.7	4.4	-7.7
<i>Bloomberg U.S. High Yield Very Liquid Ind</i>			4.3	-7.4
<i>eV US High Yield Fixed Inc Rank</i>			32	88
SSgA EMD Hard Index Fund	499,100,060	5.9	8.2	-10.7
<i>JPM EMBI Global Diversified Index</i>			8.1	-9.3
<i>Emerging Markets Bond Rank</i>			70	96

Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% 50/50 JPM EMBI/GBI EM Global Diversified, 23% Russell 3000, 20% MSCI AC World Ex USA IMI (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NCREIF Property Index. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. Principal USPA does not show a Since 4/1/2022 return because the fund was inception on 4/6/2022.

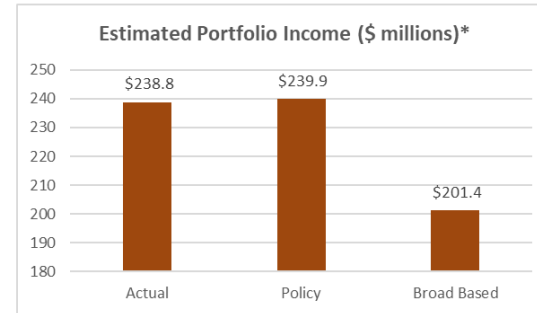
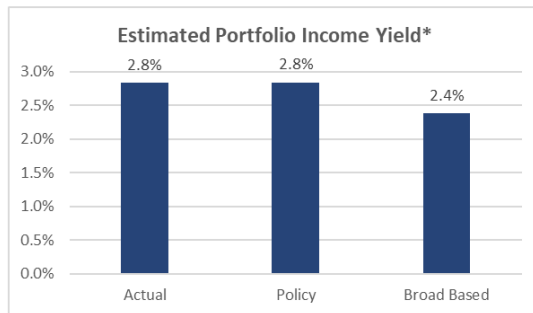
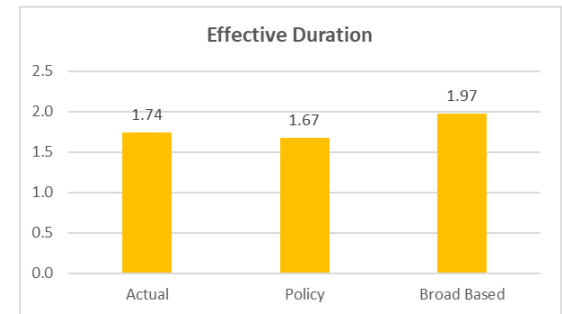
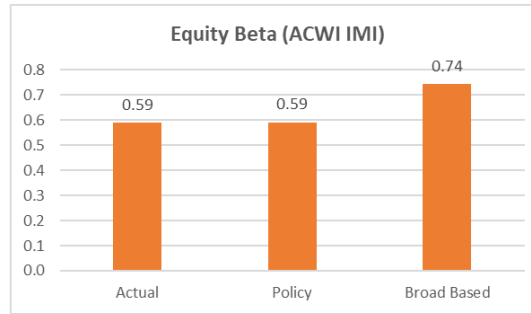
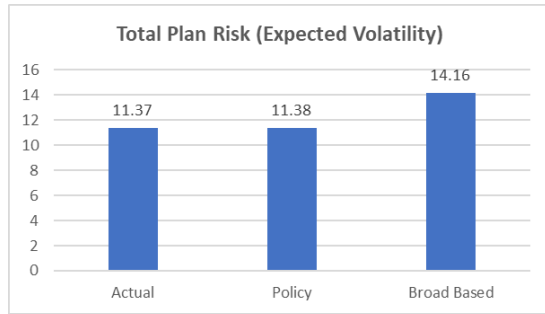
Total Fund
Executive Summary (Gross of Fees)

Illinois Police Officers' Pension Investment Fund
Period Ending: December 31, 2022

	Market Value	% of Portfolio	3 Mo	Since 04/01/2022
Inflation Protection	720,535,485	8.5	0.7	-9.1
<i>Inflation Protection Benchmark</i>			1.5	-11.6
SSgA US TIPS Index	243,800,835	2.9	1.3	-2.9
<i>Blmbg. U.S. TIPS 0-5 Year</i>			1.3	-2.5
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			98	1
SSgA REITs Index	299,184,364	3.5	4.7	-23.1
<i>Dow Jones U.S. Select REIT</i>			4.8	-23.1
<i>eV US REIT Rank</i>			28	80
Principal USPA	177,550,286	2.1	-6.0	-
<i>NCREIF ODCE</i>			-5.2	-0.6
Risk Mitigation	2,068,709,968	24.5	1.1	-2.8
<i>Risk Mitigation Benchmark</i>			1.2	-2.7
SSgA Core Fixed Income Index	573,459,757	6.8	1.7	-7.8
<i>Blmbg. U.S. Aggregate Index</i>			1.9	-7.5
<i>eV US Core Fixed Inc Rank</i>			66	72
SSgA Short-Term Gov't/Credit Index	1,227,903,318	14.6	0.9	-1.2
<i>Blmbg. 1-3 Year Gov/Credit index</i>			0.9	-1.2
<i>eV US Short Duration Fixed Inc Rank</i>			83	53
Cash	267,346,893	3.2	0.5	0.8
<i>90 Day U.S. Treasury Bill</i>			0.8	1.4
Transition Account	280,635,591	3.3		
Member Accounts	33,905,897	0.4		

Policy Index constituents include 3% 90 day T-bill, 15% Bloomberg 1-3 Year Gov/Credit Index, 7% Bloomberg U.S. Aggregate Index, 3% Bloomberg U.S. TIPS 0-5 Year, 10% Bloomberg U.S. Corporate High Yield Index, 6% 50/50 JPM EMBI/GBI EM Global Diversified, 23% Russell 3000, 20% MSCI AC World Ex USA IMI (Net), 7% MSCI Emerging Markets IMI (Net), 4% Wilshire US REIT Index and 2% NCREIF Property Index. Broad Based Policy Index constituents: 70% MSCI ACWI IMI (Net), 30% Bloomberg Global Multiverse. Principal USPA does not show a Since 4/1/2022 return because the fund was incepted on 4/6/2022.

Portfolio Characteristics



*Income Yield and Income are estimated based on dividend yields and coupon rates applied to benchmark weights and does not include factors such as dividend re-investment rates.
 Source: Barra One using index holdings as representative proxies

IPOPIF Investment Portfolio
Investment Fund Fee Analysis

Illinois Police Officers' Pension Investment Fund
Period Ending: December 31, 2022

Name	Asset Class	Vehicle Type	Market Value	% of Portfolio	Estimated Fee Value	Expense Fee (%)
RhumbLine Russell 1000 Index	Domestic Equity	Separate Account	\$1,419,543,922	17.4722	\$70,977	0.005
RhumbLine Russell 2000 Index	Domestic Equity	Separate Account	\$385,767,696	4.7482	\$19,288	0.005
SSgA Non-US Developed Index	Non-U.S. Equity	Commingled Fund	\$1,227,651,529	15.1103	\$196,424	0.016
SSgA Non-US Developed SC Index	Non-U.S. Equity	Commingled Fund	\$409,690,499	5.0426	\$65,550	0.016
SSgA Emerging Markets Equity Index	Emerging Markets Equity	Commingled Fund	\$579,104,090	7.1278	\$92,657	0.016
SSgA High Yield Corporate Credit	Fixed Income	Commingled Fund	\$814,479,099	10.0249	\$130,317	0.016
SSgA EMD Hard Index Fund	Fixed Income	Commingled Fund	\$499,100,060	6.1431	\$79,856	0.016
SSgA US TIPS Index	Fixed Income	Separate Account	\$243,800,835	3.0008	\$39,008	0.016
Principal USPA	Real Estate	Commingled Fund	\$177,550,286	2.1853	\$1,420,402	0.800
SSgA REITs Index	Real Estate	Commingled Fund	\$299,184,364	3.6825	\$47,869	0.016
SSgA Core Fixed Income Index	Fixed Income	Commingled Fund	\$573,459,757	7.0583	\$91,754	0.016
SSgA Short-Term Gov't/Credit Index	Fixed Income	Commingled Fund	\$1,227,903,318	15.1134	\$196,465	0.016
Cash	Cash and Equivalents	Commingled Fund	\$267,346,893	3.2906		
IPOPIF Investment Portfolio			\$8,124,582,347	100.0000	\$2,450,568	0.030

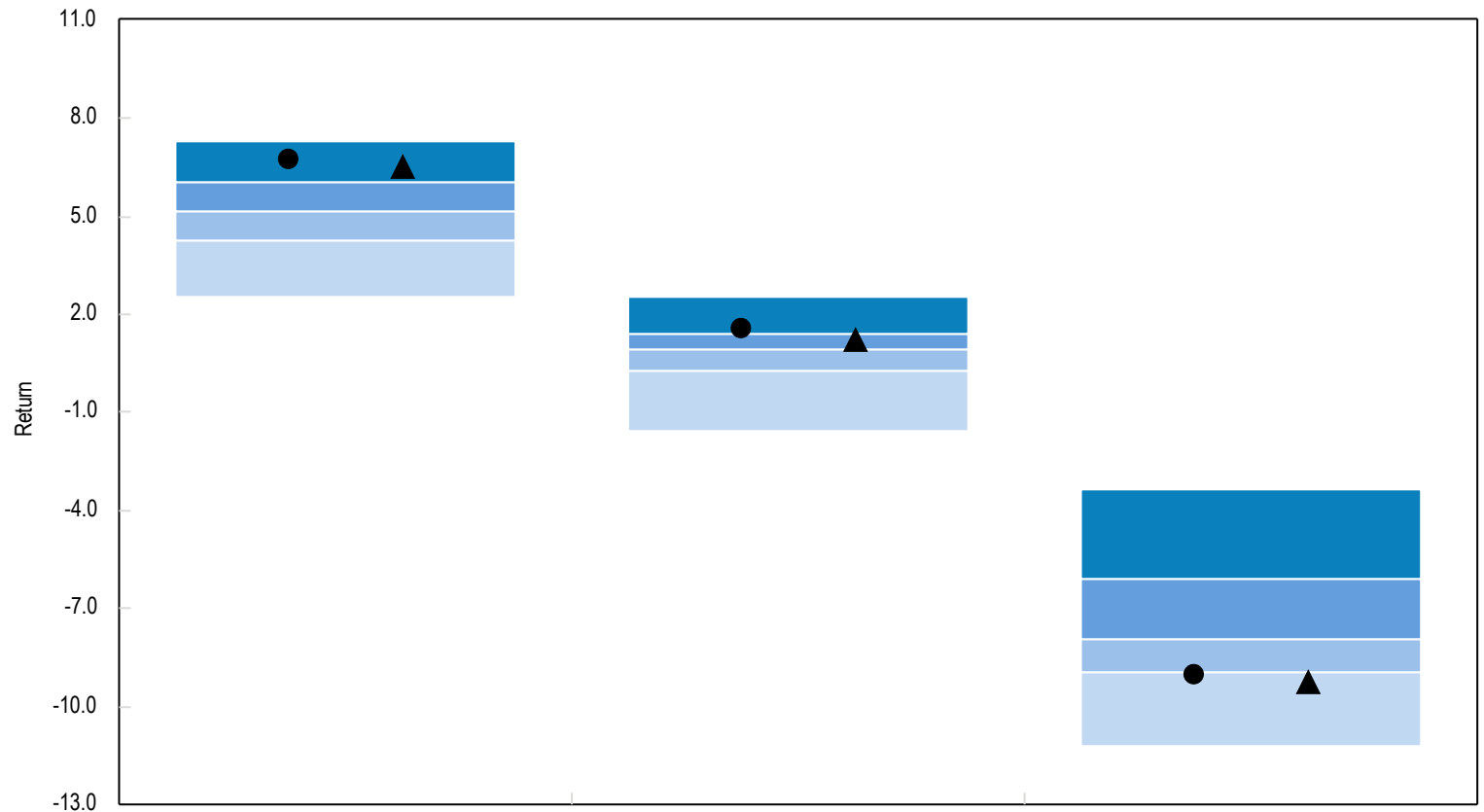
SSGA charges a flat 0.0155% fee through 2022 and an aggregate asset-based fee thereafter.

Total Fund
Cash Flow by Manager - Last Three Months

Illinois Police Officers' Pension Investment Fund
Period Ending: December 31, 2022

Name	Beginning Market Value	Contributions	Distributions	Net Cash Flows	Income	Net Investment Change	Ending Market Value
RhumbLine Russell 1000 Index	\$918,224,466	\$463,615,912	-\$30,000,000	\$433,615,912	\$4,784,628	\$62,918,916	\$1,419,543,922
RhumbLine Russell 2000 Index	\$258,500,642	\$121,961,398	-\$10,000,000	\$111,961,398	\$1,403,743	\$13,901,913	\$385,767,696
SSgA Non-US Developed Index	\$772,835,123	\$373,391,077	-\$64,000,000	\$309,391,077	\$5,015,108	\$140,410,222	\$1,227,651,529
SSgA Non-US Developed SC Index	\$248,834,737	\$130,717,536	-\$16,000,000	\$114,717,536	\$1,502,631	\$44,635,595	\$409,690,499
SSgA Emerging Markets Equity Index	\$348,737,532	\$185,080,527	-	\$185,080,527	\$2,217,825	\$43,068,206	\$579,104,090
SSgA High Yield Corporate Credit	\$535,666,126	\$253,166,887	-	\$253,166,887	\$6,834,326	\$18,811,761	\$814,479,099
SSgA EMD Hard Index Fund	\$309,251,249	\$157,733,663	-	\$157,733,663	\$3,709,329	\$28,405,820	\$499,100,060
SSgA US TIPS Index	\$168,606,330	\$72,859,994	-	\$72,859,994	\$151,771	\$2,182,741	\$243,800,835
Principal USPA	\$150,200,989	\$37,418,183	-	\$37,418,183	\$1,020,763	-\$11,089,649	\$177,550,286
SSgA REITs Index	\$172,312,336	\$116,799,027	-	\$116,799,027	\$1,399,947	\$8,673,054	\$299,184,364
SSgA Core Fixed Income Index	\$373,858,495	\$191,298,639	-	\$191,298,639	\$2,161,339	\$6,141,283	\$573,459,757
SSgA Short-Term Gov't/Credit Index	\$826,841,690	\$427,113,380	-\$35,000,000	\$392,113,380	\$3,399,059	\$5,549,190	\$1,227,903,318
Cash	\$166,369,677	\$129,307,826	-\$29,429,452	\$99,878,374	\$616,953	\$481,889	\$267,346,893
Transition Account	\$457,977,873	\$2,238,478,848	-\$2,431,237,396	-\$192,758,548	-	\$15,416,266	\$280,635,591
Member Accounts	\$17,675,391	\$2,211,825,984	-\$2,218,699,709	-\$6,873,724	-	\$23,104,230	\$33,905,897
Total Fund with Member Funds and Transition Accounts	\$5,725,892,654	\$7,110,768,881	-\$4,834,366,557	\$2,276,402,324	\$34,217,421	\$402,611,437	\$8,439,123,835

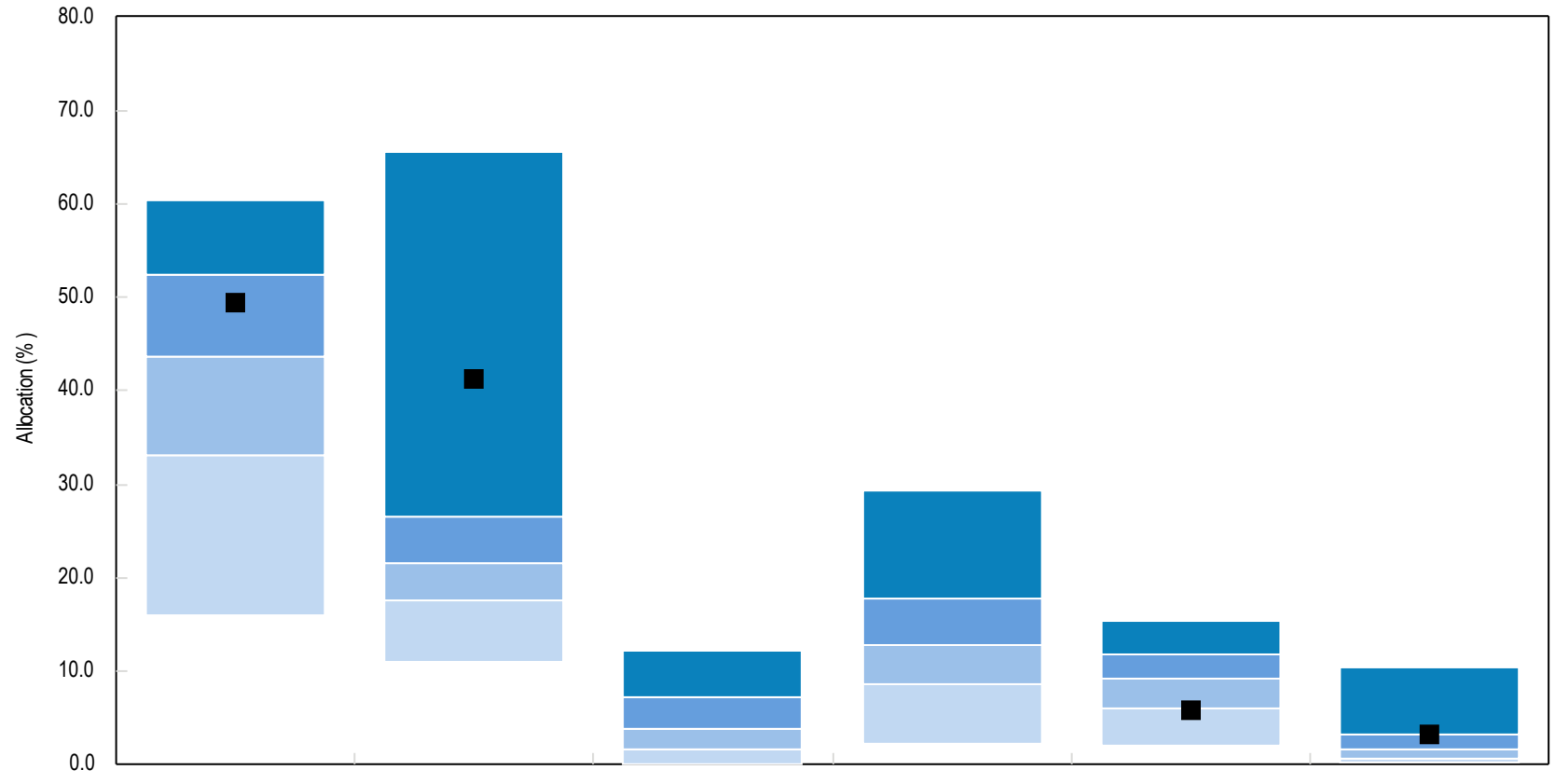
IPOPIF Investment Portfolio vs. All Public Plans > \$1B-Total Fund



	Quarter	2 Quarters	3 Quarters
● IPOPIF Investment Portfolio	6.8 (12)	1.6 (21)	-9.0 (76)
▲ Policy Index	6.6 (13)	1.2 (37)	-9.3 (79)
5th Percentile	7.3	2.5	-3.4
1st Quartile	6.1	1.4	-6.1
Median	5.2	0.9	-7.9
3rd Quartile	4.2	0.3	-8.9
95th Percentile	2.5	-1.6	-11.2
Population	141	140	136

Parentheses contain percentile rankings. Performance shown for IPOPIF Investment Fund which excludes the Transition Account and Member Funds.

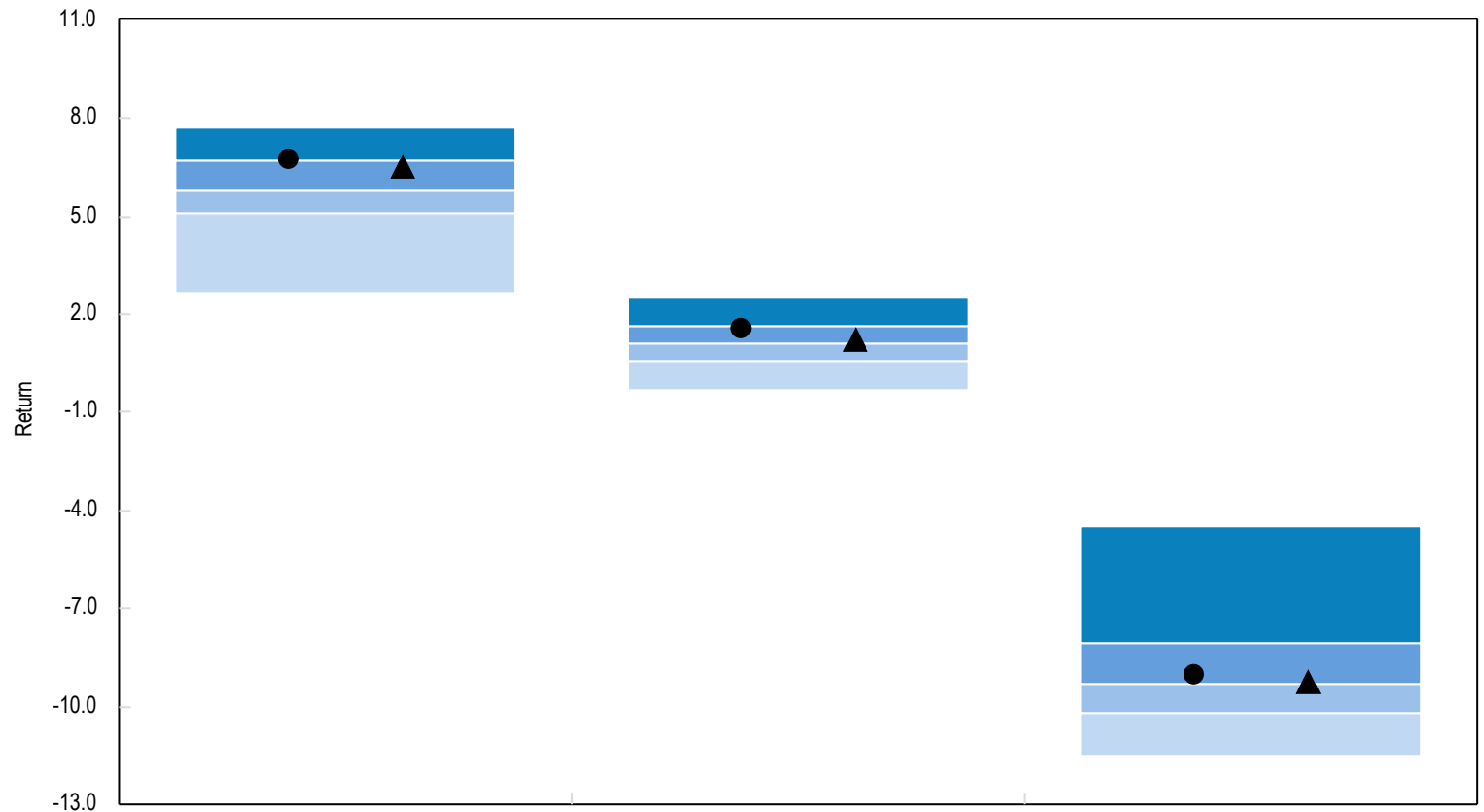
Total Plan Allocation vs. All Public Plans > \$1B-Total Fund
As of December 31, 2022



	Total Equity 49.5 (33)	Total Fixed Income 41.3 (7)	Hedge Funds -	Private Equity -	Total Real Estate 5.9 (76)	Cash & Equivalents 3.3 (24)
■ IPOPIF Investment Portfolio						
5th Percentile	60.5	65.7	12.1	29.4	15.4	10.3
1st Quartile	52.5	26.5	7.1	17.8	11.7	3.2
Median	43.7	21.6	3.8	12.7	9.2	1.6
3rd Quartile	33.1	17.6	1.6	8.6	5.9	0.7
95th Percentile	15.9	10.9	0.1	2.1	2.0	0.2
Population	128	136	34	52	104	93

Parenteses contain percentile rankings. Excludes Transition Account and Member Funds. Real Assets contains Core Real Estate and REITs.

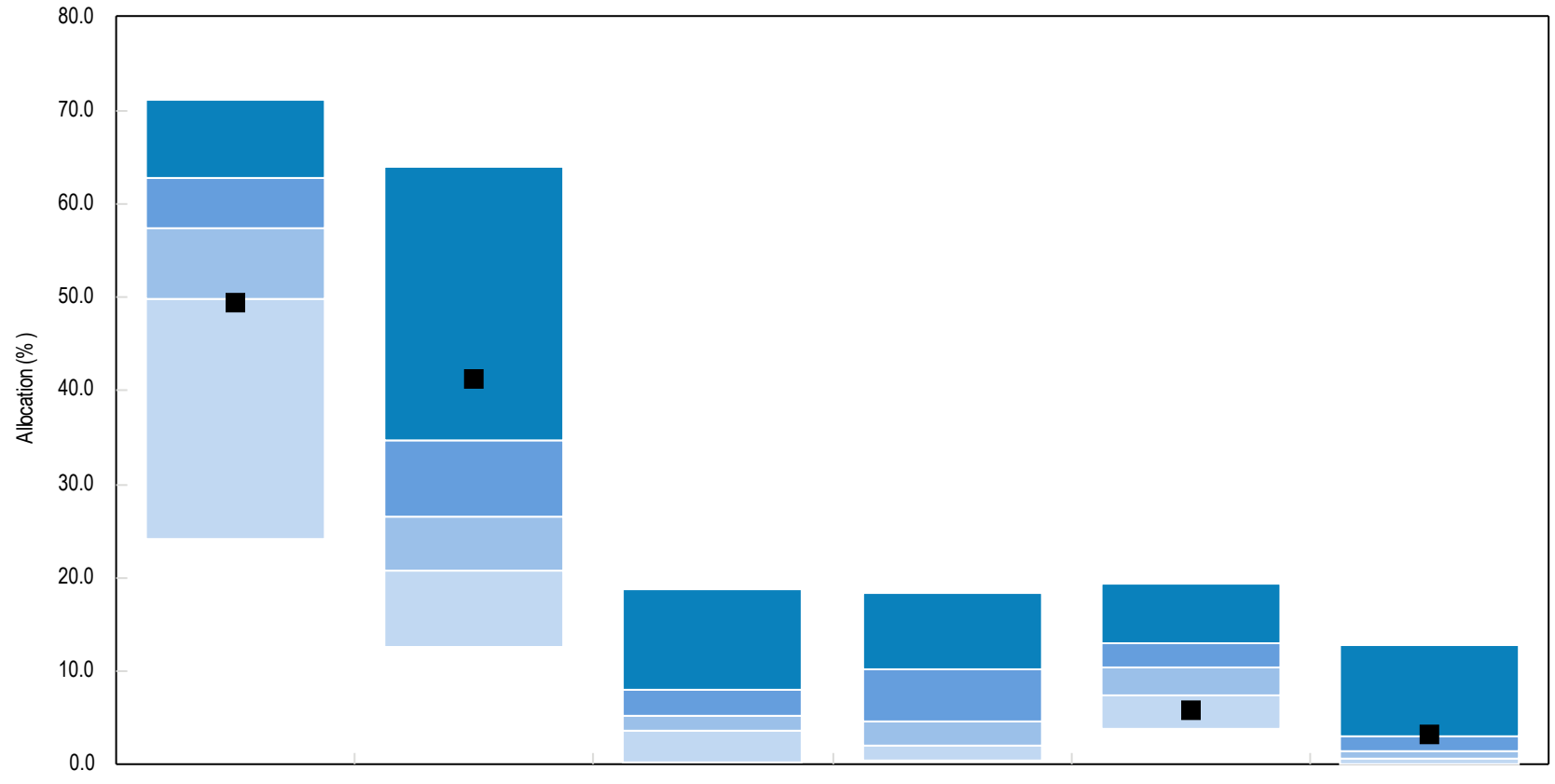
IPOPIF Investment Portfolio vs. All Public Plans < \$1B-Total Fund



	Quarter	2 Quarters	3 Quarters
● IPOPIF Investment Portfolio	6.8 (24)	1.6 (29)	-9.0 (43)
▲ Policy Index	6.6 (30)	1.2 (45)	-9.3 (49)
5th Percentile	7.7	2.5	-4.5
1st Quartile	6.7	1.7	-8.1
Median	5.8	1.1	-9.3
3rd Quartile	5.1	0.6	-10.2
95th Percentile	2.7	-0.3	-11.5
Population	361	357	349

Parentheses contain percentile rankings. Performance shown for IPOPIF Investment Fund which excludes the Transition Account and Member Funds.

Total Plan Allocation vs. All Public Plans < \$1B-Total Fund
As of December 31, 2022



	Total Equity 49.5 (77)	Total Fixed Income 41.3 (11)	Hedge Funds -	Private Equity -	Total Real Estate 5.9 (84)	Cash & Equivalents 3.3 (22)
■ IPOPIF Investment Portfolio						
5th Percentile	71.3	64.1	18.8	18.3	19.4	12.7
1st Quartile	62.9	34.8	8.0	10.1	12.9	3.0
Median	57.4	26.6	5.1	4.6	10.4	1.5
3rd Quartile	49.9	20.8	3.6	2.0	7.5	0.7
95th Percentile	24.2	12.6	0.3	0.5	3.8	0.1
Population	555	611	72	131	354	465

Parenteses contain percentile rankings. Excludes Transition Account and Member Funds. Real Assets contains Core Real Estate and REITs.

Total Fund

Data Sources and Methodology Page

Period Ending: December 31, 2022

Performance Return Calculations

Performance is calculated using Time Weighted Rates of Return (TWRR) methodologies. Monthly returns are geometrically linked and annualized for periods longer than one year.

Data Source

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

Illiquid Alternatives

Due to the inability to receive final valuation prior to report production, closed end funds (including but are not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit) performance is typically reported at a one-quarter lag. Valuation is reported at a one-quarter lag, adjusted for current quarter flow (cash flows are captured real time). Closed end fund performance is calculated using a time-weighted return methodology consistent with all portfolio and total fund performance calculations. For Private Markets, performance reports also include Verus-calculated multiples based on flows and valuations (e.g. DPI and TVPI) and manager-provided IRRs.

Manager Line Up

Manager	Inception Date	Data Source
RhumbLine Russell 1000 Index Fund	3/15/2022	State Street
RhumbLine Russell 2000 Index Fund	3/15/2022	State Street
SSgA Non-US Developed Index Fund	3/10/2022	State Street
SSgA Non-US Developed SC Index Fund	3/10/2022	State Street
SSgA Emerging Markets Equity Index Fund	3/10/2022	State Street
SSgA High Yield Corporate Credit	3/18/2022	State Street
iShares JPM Emerging Market Bond Index ETF	3/14/2022	State Street

Manager	Inception Date	Data Source
SSgA US TIPS Index Fund	3/17/2022	State Street
Principal USPA	4/6/2022	State Street
SSgA REITs Index Fund	3/10/2022	State Street
SSgA Core Fixed Income Index Fund	3/17/2022	State Street
SSgA Short-Term Gov't/Credit Index Fund	3/17/2022	State Street
Cash	3/22/2022	State Street

Policy Index Composition

As of 3/31/2022	Policy	Growth	Income	Inflation Protection	Risk Mitigation
Russell 3000	23%	46.0%			
MSCI ACWI ex USA IMI	20%	40.0%			
MSCI Emerging Markets IMI	7%	14.0%			
Bloomberg US Aggregate Index	7%				28.0%
Bloomberg 1-3 Year Gov/Credit Index	15%				60.0%
Bloomberg US Corporate High Yield Index	10%		62.5%		
Bloomberg US TIPS 0-5 Year	3%			33.3%	
50% JPM EMBI GD/50% JPM GBI EM GD	6%		37.5%		
NCREIF Property Index	2%			22.2%	
Wilshire US REIT Index	4%			44.5%	
90 Day US Treasury Bill Index	3%				12.0%

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: $\text{Portfolio Return} - [\text{Risk free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk free Rate})]$.

Benchmark R squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book to Market: The ratio of book value per share to market price per share. Growth managers typically have low book to market ratios while value managers typically have high book to market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price to Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price to earnings ratios whereas value managers hold stocks with low price to earnings ratios.

R Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$.

Sortino Ratio: Measures the risk adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

Investment Planning Overview

March 17, 2023

Agenda

- **Introduction**
 - Asset Allocation and Glidepath
 - Public Market Active Management
 - Private Market Investments
 - Other Investment Opportunities
 - Governance
 - Staffing
 - Next Steps

Summary

- This is a broad presentation to lay the groundwork for the long-term investment strategy.
- There is a lot to cover, but we can take our time and continue dialog at future meetings.
- Board feedback will help guide the investment plan.
- Recommended actions:
 - Modify the short-term asset allocation
 - Affirm support for additional investment staff (included with Administrative agenda)

Investment Objectives (IPS Sec. II)

1. To ensure the assets of the Fund are invested with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would undertake.
2. To earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation.
3. To ensure the assets of the Fund are invested in a manner that minimizes and controls the costs incurred in administering and managing the assets.

Basic Strategy

- ✓ Gain market exposure to global stocks and bonds
- ✓ Adjust allocation to target expected return and risk
 - Growth/equity bias for long-term
 - Tactical awareness during transition and implementation
- ✓ Use low-fee passive management as default
- Layer on active management when justified
 - No passive option (e.g., bank loans, private markets)
 - Strong conviction for positive alpha (risk adjusted excess return)
 - Maintain/rebalance into high conviction managers during periods of underperformance

IPS section III, Investment Philosophy, outlines the core beliefs and long-term acknowledgements that will guide the IPOPIF investment program.

Key Themes

- Asset Allocation Decisions are the most impactful.
 - Asset Allocation explains >90% of performance variation.*
- *Source: Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower. "Determinants of Portfolio Performance". Financial Analysts Journal, July/August 1986
- Active Management is difficult and expensive.
 - Selective implementation.
 - Thoughtful and deliberate approach.
- Effective governance and compliance mitigate risks.
- Effective execution and communication will bolster stakeholder confidence.
- Transfer and transition activities remain significant in 2023.
- We need to continue building a strong investment team.
 - Recruitment and engagement will take time.

Key Investment Initiatives

- Implement new short-term asset allocation, if approved by IPOPIF Board of Trustees
- Initiate Investment Staff Recruitment
- Evaluate small cap equity and multi-asset class credit for search recommendation
- Gather information in preparation for potential private markets consultant search recommendation
- Continue and complete Article 3 transition
 - Transfer outstanding assets
 - Develop plan for addressing non-transferrable assets
- Develop Investment Communication Materials
- Develop compliance review and reporting matrix

Agenda

- ✓ Introduction
- **Asset Allocation and Glidepath**
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Asset Allocation

IPOPIF Asset Allocation

Asset Classes	Short-term	Long-term
Growth	50.0%	65.0%
US Large	18.0%	23.0%
US Small	5.0%	5.0%
International Developed	15.0%	18.0%
International Developed Small	5.0%	5.0%
Emerging Markets	7.0%	7.0%
Private Equity (Direct)	0.0%	7.0%
Income	16.0%	14.0%
Bank Loans	0.0%	3.0%
High Yield Corp. Credit	10.0%	3.0%
Emerging Market Debt	6.0%	3.0%
Private Credit	0.0%	5.0%
Inflation Protection	9.0%	11.0%
US TIPS	3.0%	3.0%
REITs	4.0%	0.0%
Real Estate/Infrastructure	2.0%	8.0%
Risk Mitigation	25.0%	10.0%
Cash	3.0%	1.0%
Short-Term Gov't/Credit	15.0%	3.0%
US Treasury	0.0%	3.0%
Core Fixed Income	7.0%	0.0%
Core Plus Fixed Income	0.0%	3.0%
Total	100.0%	100.0%

- Purpose of Different Short-Term Allocation
 - 2022 awareness of valuation and interest rate risk
 - Long timeline to build private market positions.
- 2023 View and Strategy
 - Risk/reward is more balanced following 2022 correction.
 - Consider higher equity allocations to increase exposure to economic growth.
 - Risk: underperformance if income outperforms growth.

Conceptual Allocation Glidepath

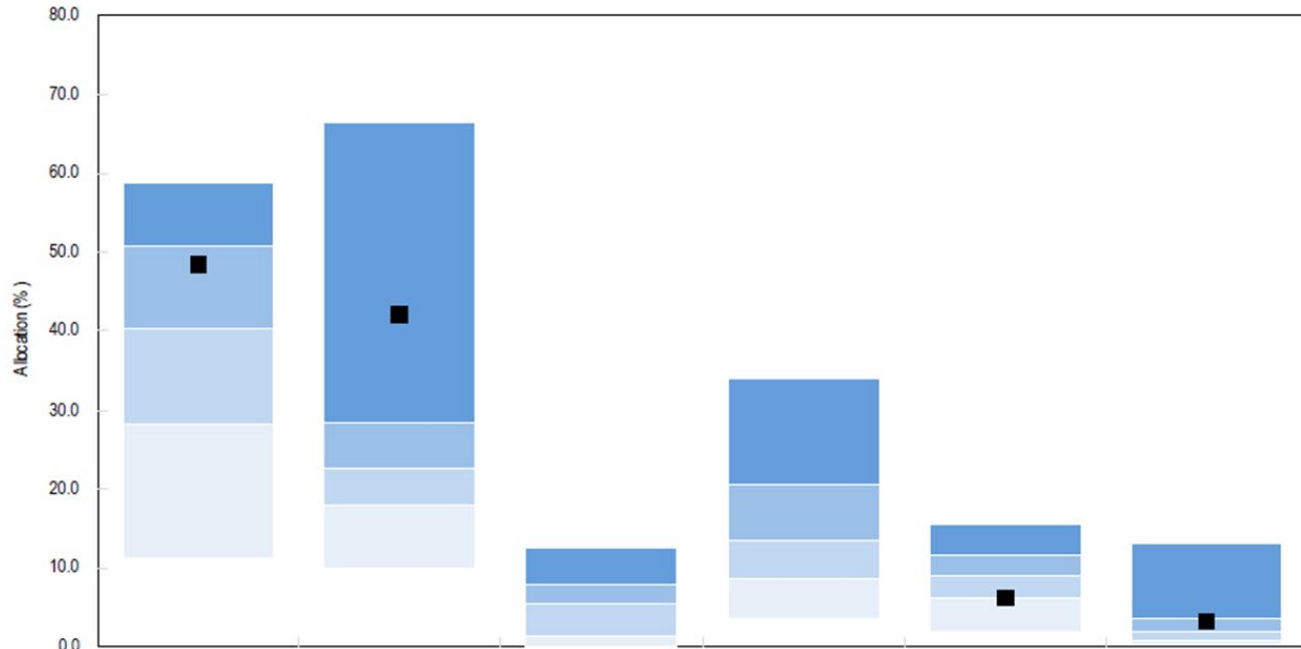
Allocation	Short-term	yr 0	yr 1	yr 2	yr 3	yr 4	yr 5	yr 6	yr 7	yr 8	Long-term
Growth	50.0%	+8.0%	+0.0%	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	65.0%
US Large	18.0%	+5.0%									23.0%
US Small	5.0%										5.0%
International Developed	15.0%	+3.0%									18.0%
International Developed Small	5.0%										5.0%
Emerging Markets	7.0%										7.0%
Private Equity (Direct)	0.0%			+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	7.0%
Income	16.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%	-1.0%	14.0%
Bank Loans	0.0%		+3.0%								3.0%
High Yield Corp. Credit	10.0%		-3.0%	-1.0%	-1.0%	-1.0%	-1.0%				3.0%
Emerging Market Debt	6.0%							-1.0%	-1.0%	-1.0%	3.0%
Private Credit	0.0%			+1.0%	+1.0%	+1.0%	+1.0%	+1.0%			5.0%
Inflation Protection	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	+1.0%	+1.0%	11.0%
US TIPS	3.0%										3.0%
REITs	4.0%				-1.0%	-1.0%	-1.0%	-1.0%			0.0%
Real Estate/Infrastructure	2.0%				+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	+1.0%	8.0%
Risk Mitigation	25.0%	-8.0%	0.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	10.0%
Cash	3.0%	-2.0%									1.0%
Short-Term Gov't/Credit	15.0%	-2.0%	-3.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	3.0%
US Treasury	0.0%		+3.0%								3.0%
Core Fixed Income	7.0%	-4.0%	-3.0%								0.0%
Core Plus Fixed Income	0.0%		+3.0%								3.0%
Total	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Weight moving -> 8.0% 9.0% 2.0% 3.0% 3.0% 3.0% 3.0% 2.0% 2.0%

This exhibit is for illustration only and does not represent a recommendation or decision regarding future allocations.

Peer Allocation Perspective

Total Plan Allocation vs. All Public Plans > \$1B-Total Fund
As of September 30, 2022



	Total Equity 48.5 (31)	Total Fixed Income 42.2 (8)	Hedge Funds -	Private Equity -	Total Real Estate 6.1 (76)	Cash & Equivalents 3.2 (29)
■ IPOPIF Investment Portfolio						
5th Percentile	58.8	66.4	12.6	33.9	15.6	13.1
1st Quartile	50.8	28.3	7.8	20.6	11.5	3.6
Median	40.3	22.5	5.4	13.4	9.0	1.9
3rd Quartile	28.2	17.9	1.4	8.7	6.3	0.7
95th Percentile	11.1	9.9	0.1	3.6	1.9	0.2
Population	114	112	23	39	95	82

➔ Parentheses contain percentile rankings. Excludes Transition Account and Member Funds. Real Assets contains Core Real Estate and REITs.

Recommended* Short-Term Allocation

Allocation	Short-term	Change	New ST	Long-term	New vs LT
Growth	50.0%	8.0%	58.0%	65.0%	-7.0%
US Large	18.0%	+5.0%	23.0%	23.0%	0.0%
US Small	5.0%		5.0%	5.0%	0.0%
International Developed	15.0%	+3.0%	18.0%	18.0%	0.0%
International Developed Small	5.0%		5.0%	5.0%	0.0%
Emerging Markets	7.0%		7.0%	7.0%	0.0%
Private Equity (Direct)	0.0%		0.0%	7.0%	-7.0%
Income	16.0%	0.0%	16.0%	14.0%	2.0%
Bank Loans	0.0%		0.0%	3.0%	-3.0%
High Yield Corp. Credit	10.0%		10.0%	3.0%	7.0%
Emerging Market Debt	6.0%		6.0%	3.0%	3.0%
Private Credit	0.0%		0.0%	5.0%	-5.0%
Inflation Protection	9.0%	0.0%	9.0%	11.0%	-2.0%
US TIPS	3.0%		3.0%	3.0%	0.0%
REITs	4.0%		4.0%	0.0%	4.0%
Real Estate/Infrastructure	2.0%		2.0%	8.0%	-6.0%
Risk Mitigation	25.0%	-8.0%	17.0%	10.0%	7.0%
Cash	3.0%	-2.0%	1.0%	1.0%	0.0%
Short-Term Gov't/Credit	15.0%	-2.0%	13.0%	3.0%	10.0%
US Treasury	0.0%		0.0%	3.0%	-3.0%
Core Fixed Income	7.0%	-4.0%	3.0%	0.0%	3.0%
Core Plus Fixed Income	0.0%		0.0%	3.0%	-3.0%
Total	100.0%	0.0%	100.0%	100.0%	0.0%

Move public equity allocations to long-term targets.

US TIPS already at long-term target

Move cash to long-term target to reduce "cash drag."

Reduce core fixed income to long-term target.

*Recommendation to be addressed in a separate agenda item.

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Active Management

- Attempts to outperform the market through security selection that is different than the market
- It is very difficult to outperform the market.
 - Average active return will be the market return less fees.
 - Passive management should be the default choice.
- Higher staff and Board resources required for selection and monitoring.
- Must be willing and able to tolerate periodic underperformance.
- Success Factors
 - Staff/consultant selection skill
 - Tolerance for periodic underperformance
 - Ample staff resources
 - Effective governance
 - Less liquid and less efficient markets

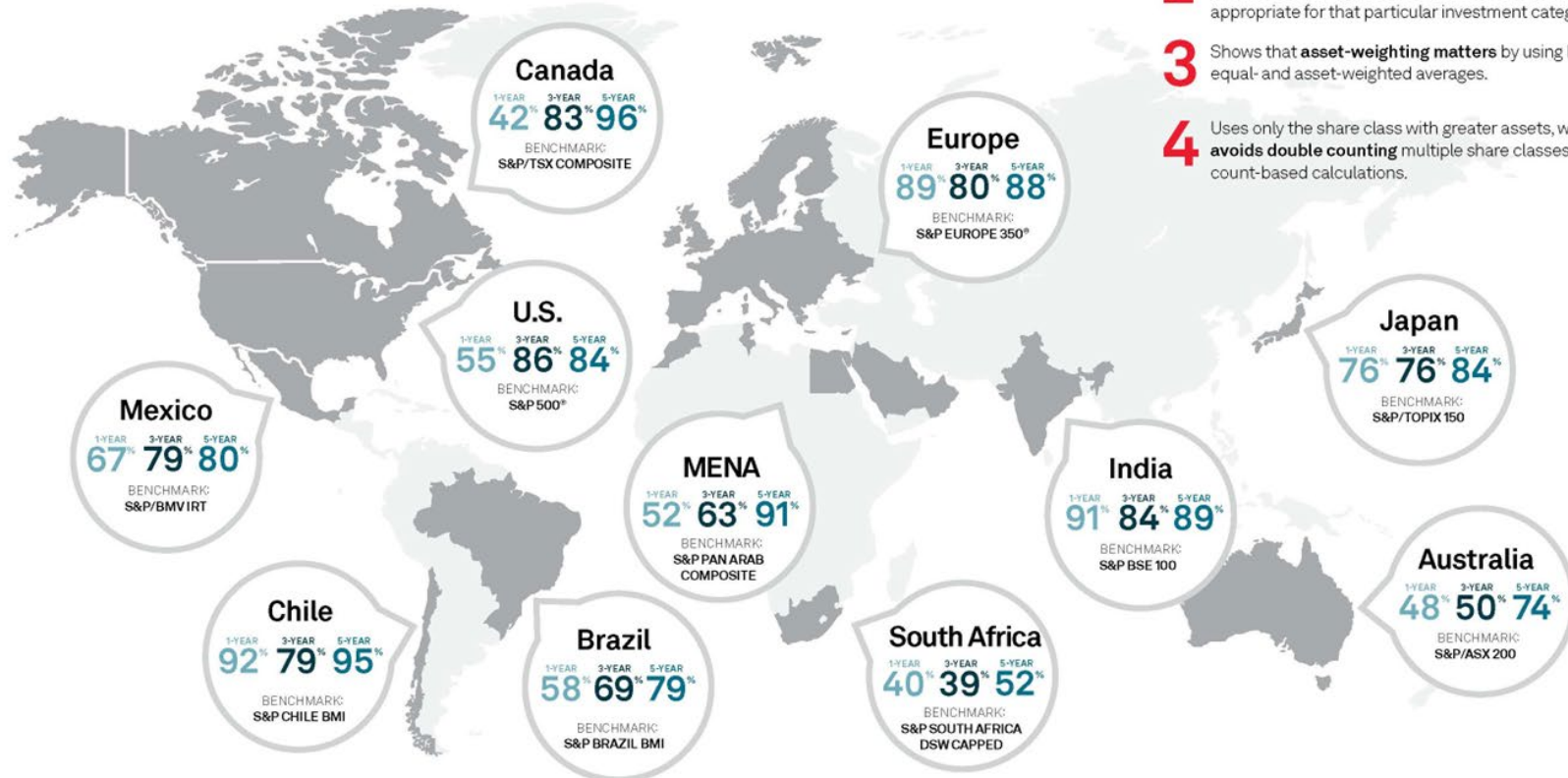
Benchmark Outperformance vs. Active

SPIVA® Around the World

Percentage of active funds outperformed by benchmarks* over 1-, 3-, and 5-year periods

The SPIVA Difference

- 1 Accounts for the entire opportunity set—not just the survivors—thereby **eliminating survivorship bias**.
- 2 Applies an **apples-to-apples comparison** by measuring a fund's returns against the returns of a benchmark appropriate for that particular investment category.
- 3 Shows that **asset-weighting matters** by using both equal- and asset-weighted averages.
- 4 Uses only the share class with greater assets, which **avoids double counting** multiple share classes in all count-based calculations.



* Regional benchmarks included here are large cap, with the exception of Brazil and Chile, where SPIVA results displayed reflect regional broad-market indices. Multiple benchmarks exist in all regions tracked by SPIVA. For more information on SPIVA methodology, including a full list of regional benchmarks and results, visit <https://www.spglobal.com/spdji/en/research-insights/spiva>.

Source: S&P Dow Jones Indices LLC, Morningstar, Funddata, CRSP Data as of June 30, 2022. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

SPIVA: S&P Indices Versus Active

www.spglobal.com/spdji/en/research-insights/spiva

Preliminary Evaluation Priority

Priority	Comments
US and Non-US small-cap equity	Start basic, staff and Board refine process
Multi-Asset Credit (MAC)	Capture global credit risk premiums by investing in a range of geographies, asset classes and credit instruments. Evaluate MAC first due to potential allocation impact
Core-plus fixed income	Adds credit risk and exposure to asset-backed securities in search of enhanced returns
High-yield debt	Builds on knowledge gained from core-plus search Ability to refine risk profile
Bank Loans	Trading standardized contracts., not securities. Not available as passive strategy. Below investment grade credit rating Floating rate profile reduces interest rate risk
TIPs Treasury	Need to refine objective and approach. Active or passive? Duration profile?

Search Evaluation & Next Steps

- ...Active strategies are preferred only when there is strong conviction that they can be expected to add alpha, net of fees. Otherwise, passive strategies are preferred. (IPS III.5)
- => Staff and consultant evaluation of potential alpha net of fees. (alpha = risk adjusted excess return)
- Investment searches governed by [Procurement of Investment Services Policy](#), PP-2021-07
 - The Board shall approve when there shall be a search for Investment Services and the parameters of the search based on a recommendation from investment staff or Investment Consultant.
- Search recommendations subject to Board approval

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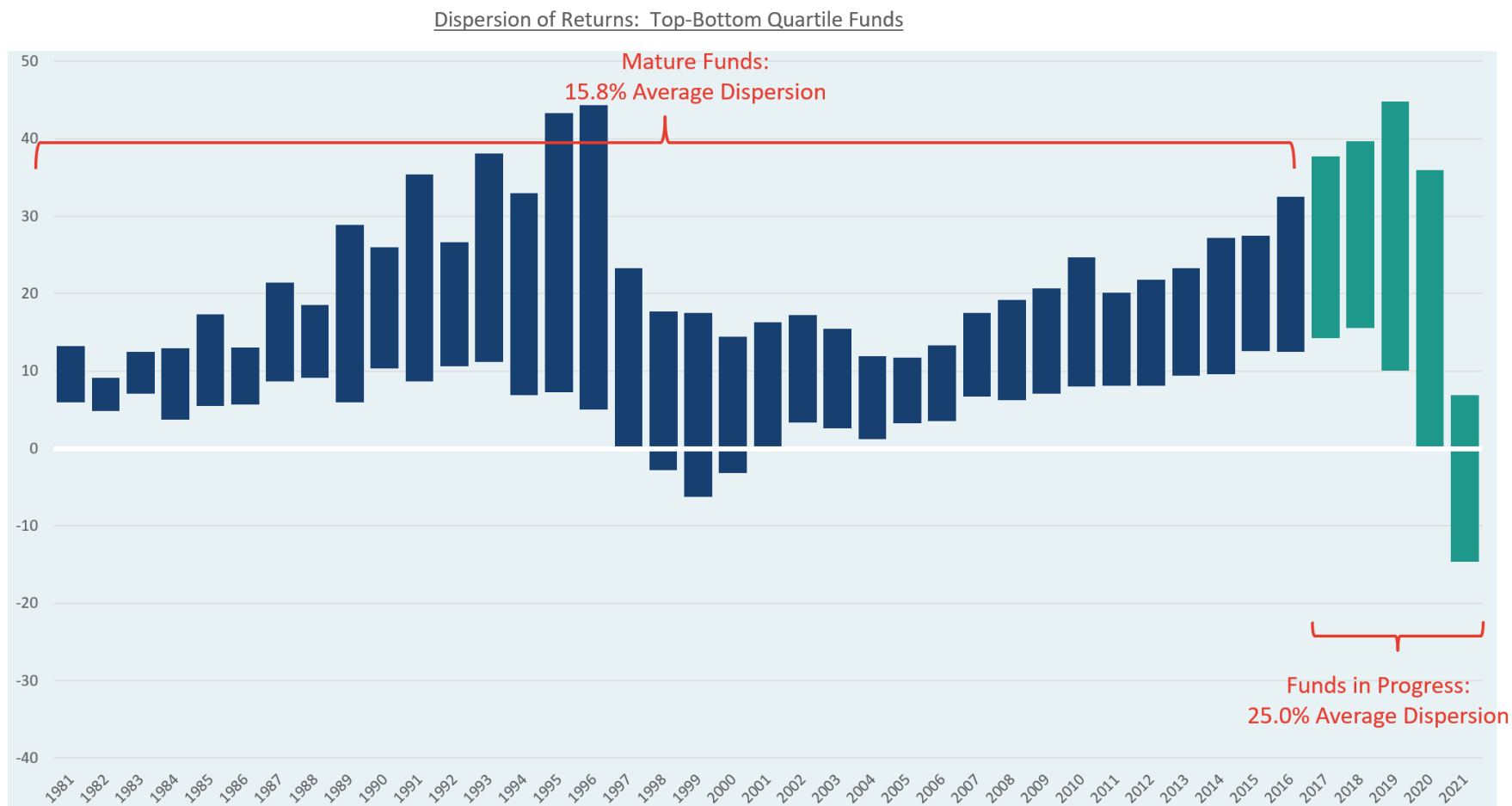
Why Invest In Private Markets

- Expected higher returns
 - Long-term committed capital promotes long-term view.
 - Potential value added by skilled General Partners (GPs)
 - Less securities regulation
- Investment landscape shifting to private approach
 - Private debt replacing traditional banking relationships
 - More companies are staying private for longer.
 - Wilshire 5000 down to 3,525 companies
- Relatively low “reported” performance volatility acts as a buffer to higher volatility of public market investments, especially equities.
- IPOPIF 20% long-term asset allocation to Private Mkts.
 - 7% private equity (peer median is 13.4%, including debt)
 - 5% private debt
 - 8% real estate/ infrastructure (peer median is 9.0%)

Private Market Considerations

- Limited Partnership structure
 - Money invested gradually by GP through “capital calls”
 - LP must fund capital when called, no excuses.
 - Money tied up for several years
 - Difficult/costly to exit early; especially poor performing funds.
 - Difficult/impossible to remove poor GP (General Partner)
- The range of outcomes is much wider than public markets.
- Resource requirements
 - Specialty Consultants, Attorneys, Staff.
- High Fees:
 - Mgt. fee of 1.5% to 2.0% of capital (committed or invested)
 - Carried interest (profit share) of 15% to 20% of net profits
 - Administrative fees; nominal 0.15% to 0.20%

Manager selection is critical to results



Source: Refinitiv CJA U.S. All Private Equity returns, as of June 30, 2022. For illustrative purposes only as dispersion of returns varies by sub-asset class.

Private Markets Next Steps

- Evaluate Private Markets Approaches and Consultant Universe
 - Varying breadth across equity, debt, real estate, infrastructure.
 - Gather information to inform Request for Proposal
- Board recommendation
 - Initial Approach
 - Consultant Search
- Recruitment for staff with private markets experience.
- Separate Real Estate and Infrastructure allocations

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Other Investment Opportunities

- Overlay manager
 - Efficiently maintains desired asset allocation/tilts
 - Could be used to eliminate cash allocation/drag
- Leveraged strategies
 - Risk Parity
 - “Currency Beta” suggested by Verus.
 - Hedge Funds
 - Long/short equity
 - Complex/multi-strategy credit
 - “macro” funds
- Engagement with MWDBE and Veteran-owned investment managers

Governance

- Compliance: Need to build systems to ensure that all statutory, regulatory, and policy requirements are met and documented
- ESG (Environmental, Social, Governance) initiatives
 - Board interest in incorporating anti-pension, anti-police into search and monitoring processes
 - Need to review work from early 2022
- Proxy Voting
 - Currently a requirement for investment managers.
 - Can consider alternate approaches
 - Back Burner for now
- Securities Litigation Attorney Review Panel
- Service provider reviews
 - Initiate review program for Consultant, Custodian and Investment Manager reviews at Staff and Board levels
- Communications
 - Continue to refine participant and performance reporting.
 - Develop collateral materials to explore and explain the IPOPIF investment program

Investment Recruitment

- Initiate recruitment for 1-2 investment professionals.
 - Peoria based
 - Complementary experience to current team members
 - Private market/alts
 - Preference for officer level with private markets experience.

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Key Investment Initiatives (repeat)

- Implement new short-term asset allocation, if approved by IPOPIF Board of Trustees
- Initiate Investment Staff Recruitment
- Evaluate small cap equity and multi-asset class credit for search recommendation
- Gather information in preparation for potential private markets consultant search recommendation
- Continue and complete Article 3 transition
 - Transfer outstanding assets
 - Develop plan for addressing non-transferrable assets
- Develop Investment Communication Materials
- Develop compliance review and reporting matrix

Prleiminary Board Agenda Planning

date ==>	Fri 3/10/23	Fri 4/14/23	Fri 6/9/23	Fri 7/21/23	Fri 9/15/23	Fri 10/13/23	Fri 12/15/23
focus	Investment	Admin	Investment	Admin	Investment	Admin	Investment
Update	Transition/ Investment Update	Transition/ Investment Update	Transition/ Investment Update	Transition/ Investment Update	Transition/ Investment Update	Transition/ Investment Update	Transition/ Investment Update
Performance	Quarterly Performance Review		Quarterly Performance Review		Quarterly Performance Review		Quarterly Performance Review
Compliance	Compliance Report		Compliance Report		Compliance Report		Compliance Report
Strategy	Strategic Investment Plan		Strategic Investment Plan		Strategic Investment Plan		Strategic Investment Plan
	Recommend changes to ST AA						
Staffing	Affirm Authority for Investment Staff Recruiting						
Public Markets			1st search request		1st search recommendation		3rd search request
					2nd search request		2nd search recommendation
Private Markets			Request to search for Priv. Mkts. Consultant		Priv. Mkts Consultant Recommendation		Private Markets Tactical Plan
Reviews (TBD)			Principal US Property Account		SSGA		RhumbLine

MEMORANDUM

DATE: March 9, 2023
TO: IPOPIF Board of Trustees
FROM: Kent Custer, Chief Investment Officer
SUBJECT: Asset Allocation Recommendation

Recommendation

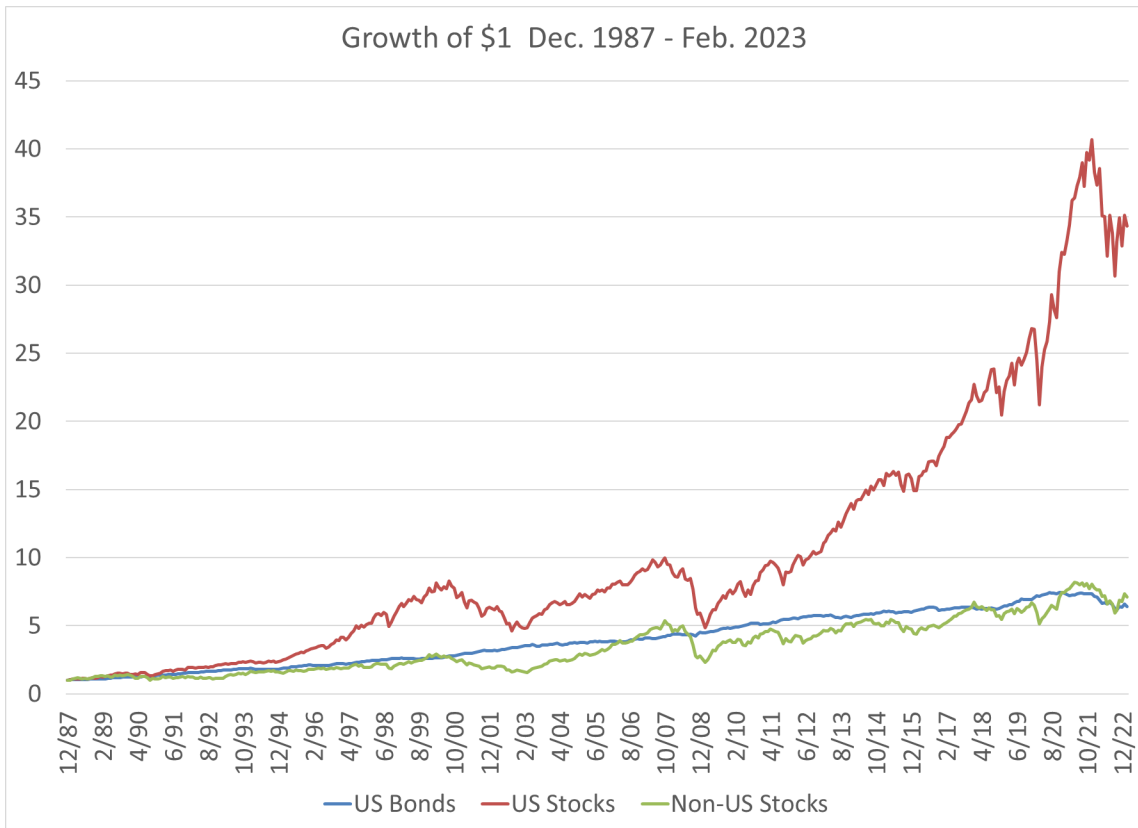
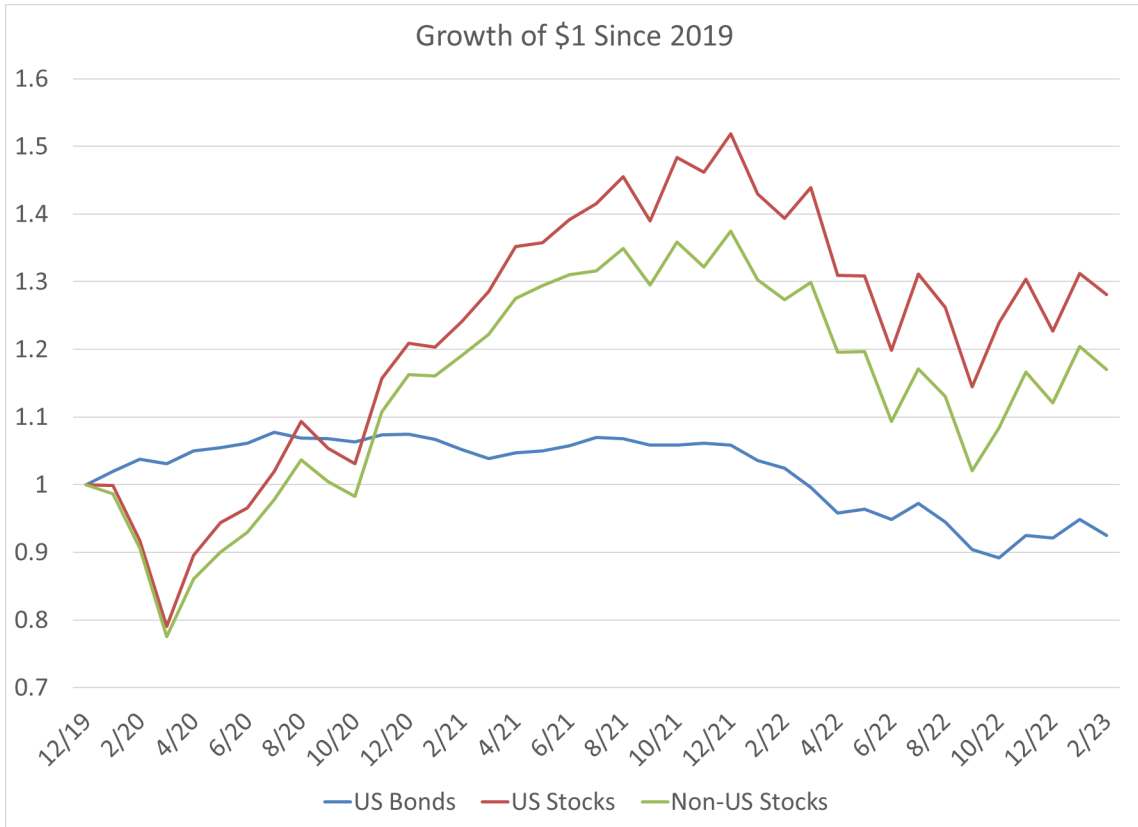
That the Board of Trustees approve the proposed revision to the Short-Term Asset Allocation and updated rebalancing ranges as detailed below, to be implemented by June 30, 2023.

Summary

Given the 2022 equity correction, up vs. down risk is now more balanced, supporting an allocation shift toward long-term targets. Verus concurs with this recommendation.

Discussion

- The short-term allocation was established to accommodate the initial IPOPIF transition and the subsequent buildout of diversified strategies, including private market investments.
- Initial allocations to public equities were 8% underweight to long-term allocations, reflecting awareness of heightened valuation risk in late 2021 as IPOPIF prepared to begin the asset transition.
- Equity valuations peaked in December 2021, declined approximately 25% through September 2022, and then recovered somewhat in subsequent months. US Equities (Russell 3000 index) returns are down 15% from the peak and international equities (MSCI ACWI IMI) are down a similar 16%, through February 2023.
- Interest rates have increased sharply, with the 10-year Treasury yield rising from 1.51% at the end of 2021 to 3.99% at the end of February 2023. Bond prices have declined as a result. The Bloomberg US Aggregate Bond index is down 13% from Dec. 2021 through February 2023.
- Given the market corrections summarized above, I view the opportunity and risk for equities to be in better balance. The rationale for the tactical underweight has weakened and there is an increased risk of missing out on equity upside.
- The balancing allocation reductions would come from cash and Core Fixed income being reduced to long-term targets and a reduction from Short-term Gov/Credit.
- The key risk associated with this recommendation is that equities will underperform fixed income. Possible drivers of equity underperformance could be a slowing economy or rising long-term interest rates.



Recommended Short-Term (ST) Asset Allocation

Allocation	Current ST	Change	New ST	Long-term	New vs LT
Growth	50.0%	8.0%	58.0%	65.0%	-7.0%
US Large	18.0%	+5.0%	23.0%	23.0%	0.0%
US Small	5.0%		5.0%	5.0%	0.0%
International Developed	15.0%	+3.0%	18.0%	18.0%	0.0%
International Developed Small	5.0%		5.0%	5.0%	0.0%
Emerging Markets	7.0%		7.0%	7.0%	0.0%
Private Equity (Direct)	0.0%		0.0%	7.0%	-7.0%
Income	16.0%	0.0%	16.0%	14.0%	2.0%
Bank Loans	0.0%		0.0%	3.0%	-3.0%
High Yield Corp. Credit	10.0%		10.0%	3.0%	7.0%
Emerging Market Debt	6.0%		6.0%	3.0%	3.0%
Private Credit	0.0%		0.0%	5.0%	-5.0%
Inflation Protection	9.0%	0.0%	9.0%	11.0%	-2.0%
US TIPS	3.0%		3.0%	3.0%	0.0%
REITs	4.0%		4.0%	0.0%	4.0%
Real Estate/Infrastructure	2.0%		2.0%	8.0%	-6.0%
Risk Mitigation	25.0%	-8.0%	17.0%	10.0%	7.0%
Cash	3.0%	-2.0%	1.0%	1.0%	0.0%
Short-Term Gov't/Credit	15.0%	-2.0%	13.0%	3.0%	10.0%
US Treasury	0.0%		0.0%	3.0%	-3.0%
Core Fixed Income	7.0%	-4.0%	3.0%	0.0%	3.0%
Core Plus Fixed Income	0.0%		0.0%	3.0%	-3.0%
Total	100.0%	0.0%	100.0%	100.0%	0.0%

Recommended Rebalancing Ranges

IPOPIF Asset Allocation	Short-term			
	Target Allocation	Rebalancing Range		
		Band	Lower	Upper
Growth	58.0%	10.0%	53.0%	63.0%
US Large	23.0%	4.0%	21.0%	25.0%
US Small	5.0%	2.0%	4.0%	6.0%
International Developed	18.0%	4.0%	16.0%	20.0%
International Developed Small	5.0%	2.0%	4.0%	6.0%
Emerging Markets	7.0%	2.0%	6.0%	8.0%
Private Equity (Direct)	0.0%	N/A	N/A	N/A
Income	16.0%	4.0%	14.0%	18.0%
Bank Loans	0.0%	N/A	N/A	N/A
High Yield Corp. Credit	10.0%	2.0%	9.0%	11.0%
Emerging Market Debt	6.0%	2.0%	5.0%	7.0%
Private Credit	0.0%	N/A	N/A	N/A
Inflation Protection	9.0%	4.0%	7.0%	11.0%
US TIPS	3.0%	2.0%	2.0%	4.0%
REITs	4.0%	2.0%	3.0%	5.0%
Real Estate/Infrastructure	2.0%	N/A	N/A	N/A
Risk Mitigation	17.0%	8.0%	13.0%	21.0%
Cash	1.0%	2.0%	0.0%	2.0%
Short-Term Gov't/Credit	13.0%	4.0%	11.0%	15.0%
US Treasury	0.0%	N/A	N/A	N/A
Core Fixed Income	3.0%	2.0%	2.0%	4.0%
Core Plus Fixed Income	0.0%	N/A	N/A	N/A
Total	100.0%			

N/A – Not Applicable in Short-Term Asset Allocation

MEMORANDUM

TO: Board of Trustees
FROM: Richard White, Executive Director
RE: Governmental Liaison Report
DATE: March 17, 2023

Bukola Bello, Vision M.A.I. Consulting will provide a verbal report, via Zoom, on the pertinent pension and investment related matters in the current legislative session and provide an update on the IPOPIF legislative items.

Ms. Bello will be available to the Board of Trustees for questions and comments.

MEMORANDUM

TO: Board of Trustees
FROM: Richard White, Executive Director
RE: Personnel Staffing -Revisions
DATE: March 17, 2023

The Board of Trustees will review the status of the Fiscal Year 2023 budget in an adjacent agenda item with a request to approve revisions to the budget for personnel staffing that will update the budget to the current and additional staffing levels in the organization, for the remainder of this fiscal year.

Additionally, the approval of these positions in the revised Fiscal Year 2023 budget would include the approval to open the recruitment(s) for these positions.

The details of the requested revisions to the organization's staffing are described below:

1. Senior Accountant

The Board of Trustees approved the job description and salary range of the Senior Accountant position on February 10, 2023.

The Fiscal Year 2023 budget approved by the Board of Trustees in June 2022 included one accountant position for a partial period of time. Based upon a review of the current and future needs of the organization by the executive team, it is recommended that two Senior Accountant positions be added to the team in this fiscal year. For information, recruitment for the Senior Accountant is position is open, at this time.

The revision requested is to approve and add two Senior Accountant positions to the budget and to remove the one accountant position from the budget.

2. Administrative Analyst

The Board of Trustees approved the job description and salary range of the Administrative Analyst position on May 28, 2022. The position was retitled on September 9, 2022.

The Fiscal Year 2023 budget approved by the Board of Trustees in June 2022 included one Administrative Analyst for a full-year and one Executive Assistant position for a partial year.

In November 2022 an additional Administrative Analyst was hired in lieu of an Executive Assistant which served to better meet the administrative requirements needed by the organization. Currently, the Fund has two Administrative Analyst positions filled.

The revision requested is to approve and add two Administrative Analyst positions to the budget and to remove the one Executive Assistant position from the budget.

3. Information Technologist

This position will be a newly created job classification for the organization and is based on one of the recommendations that resulted from the recently completed technology review.

The job description and salary will need to be approved by the Board of Trustees before the position can be filled but including this position in the budget will allow this process to move along once this is completed. It is anticipated that this item will be presented to the Board at the April meeting.

The revision requested is to approve and add one Information Technologist position to the Fiscal Year 2023 budget.

4. Communication Specialist

This position was included in the original budget, but the job description and salary will need to be approved by the Board of Trustees before the position can be filled. Including this position in the budget will allow this process to move along once this is completed. It is anticipated that this item will be presented to the Board at the April meeting.

5. Investment Officer

The Board of Trustees approved the job descriptions and salary ranges for the Investment Analyst and Investment Officer positions on April 23, 2021.

The Fiscal Year 2023 budget, approved by the Board of Trustees in June 2022, included one Investment Officer for a full-year and two Investment Officers and one Investment Analyst positions for a partial year term. Currently, the Fund has two Investment Officer positions filled and the Chief Investment Officer anticipates adding two investment professionals to the organization going forward. The selection will be based on overall fit with IPOPIF needs and the position level will be based on experience. However, relevant experience is preferred, and budgeting should be at the investment officer level.

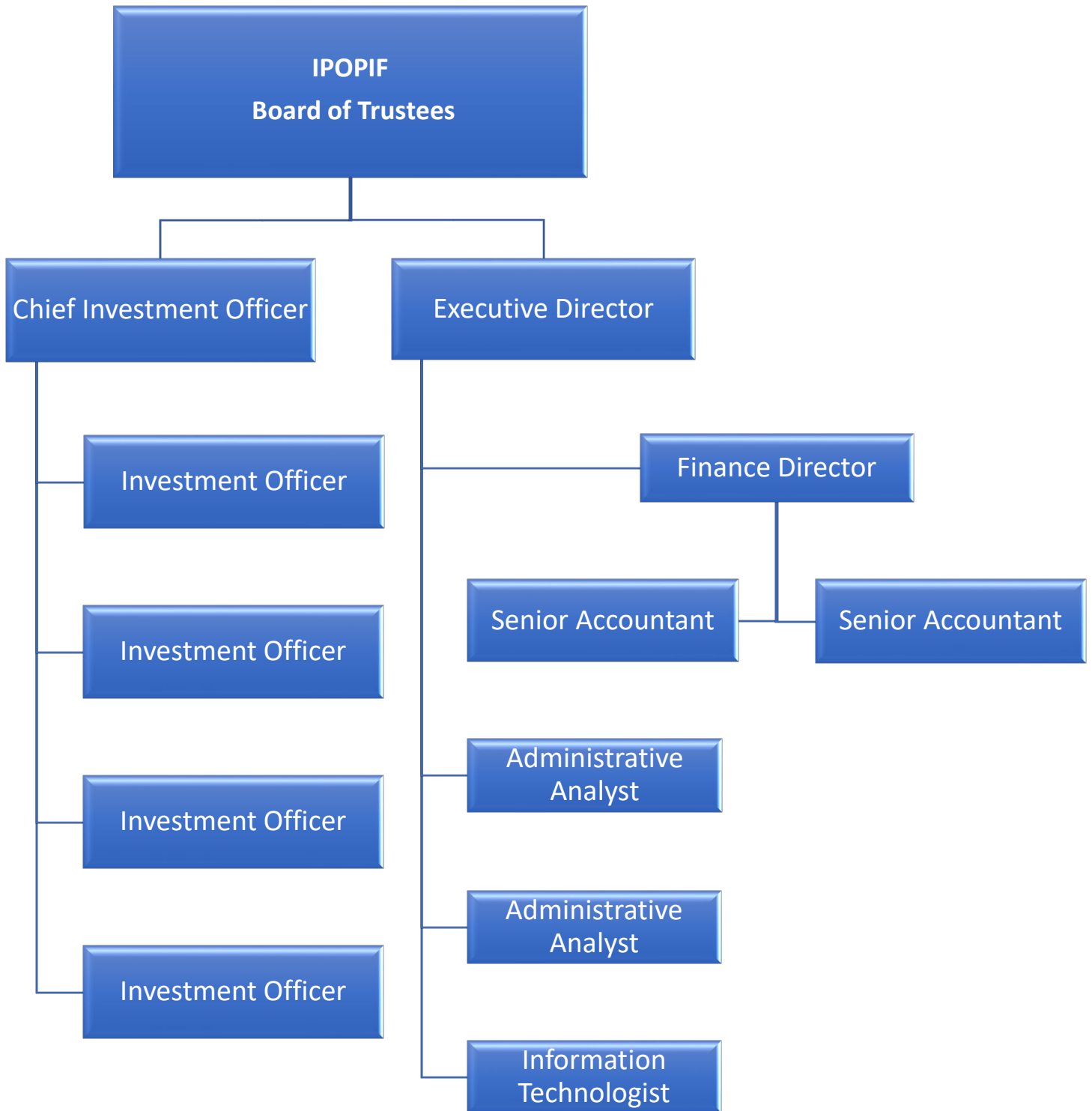
The revision requested is to classify four positions as Investment Officer and to remove one Investment Analyst position from the budget.

Recommended action: Approve the following revisions to the posted staffing positions in the revised Fiscal Year 2023 budget and approve recruitment, as follows:

- Include positions in the FY 2023 budget:
 - Two Senior Accountant positions.
 - Two Administrative Analyst positions.
 - One Information Technologist
 - One Communications Analyst position.
 - Four Investment Officer positions.

- Remove positions in the FY 2023 budget:
 - One Accountant position.
 - One Executive Assistant position.
 - One Investment Analyst position.

ORGANIZATION CHART
As of June 30, 2023



MEMORANDUM

TO: Board of Trustees

FROM: Richard White, Executive Director
Regina Tuczak, Finance Director

RE: Fiscal Year 2023 Budget Revisions

DATE: March 17, 2023

Item 6bi. Approve Fiscal Year 2023 Budget Revisions

An analysis of the Approved and Adopted Fiscal Year 2023 Budget was prepared and compared to expenditures as of March 1, 2023, (all expenses through Warrant #60), and provided to the Audit and Budget Committee at its meeting on March 2nd. The Committee provided feedback on the budget, and recommended approval of the Fiscal Year 2023 budget revisions, subject to further information and approval by the Board of the personnel additions.

The Committee inquired with regards to a few vendors that had not submitted timely billings and thus the corresponding final budget amounts for the related services were subject to significant estimation. Shortly after the Committee meeting, additional invoices were received from these vendors which resulted in further changes to the final proposed budget amounts from those presented to the Committee for the following expenses 1) Election Services¹; 2) Administrative Professional Services²; 3) General Legal Services³; and 4) Utilities⁴.

In addition, in a planning discussion for the Board meeting, Chairman Suess requested that further information be provided that compares Projected Year-to-Date Budgeted Expenditures at March 1, to actual Expenditures as of March 1, for enhanced comparability. Personnel additions to current staff were also projected to begin employment on April 1, 2023, for salary and benefit purposes. These changes are reflected in the Final Proposed Budget, a summary of which is provided on page 2:

	Original Adopted Budget	Projected Budget Expenditures at March 1, 2023	Actual Expenditures through March 1, 2023	Final Proposed Budget
Board of Trustees and Meetings	\$132,500	\$90,900	\$12,885	\$96,395
Administrative Operations				
Personnel	\$620,695	\$413,797	\$340,429	\$726,448
Professional Services	\$1,562,176	\$1,050,617	\$741,981	\$1,422,489
Bank Services and Fees	\$116,848	\$77,898	\$150,790	\$237,011
Services and Supplies	\$481,785	\$361,190	\$294,173	\$440,071
Investment Operations				
Personnel	\$876,189	\$584,126	\$470,747	\$876,189
Investment and Banking	\$2,000,500	\$1,333,667	\$283,086	\$1,831,340
Professional Services	\$2,123,400	\$1,415,600	\$1,163,671	\$1,163,671
TOTAL	\$7,914,093	\$5,327,795	\$3,457,710	\$6,793,614

Information regarding changes from the Original Adopted Budget (original budget) as compared to the Final Proposed Budget (final budget) is provided in the attached worksheet, which includes comments on changes >\$5,000 and 10% from the original budget. Further information is summarized below:

Board of Trustees and Meetings

Reduction in expenditures of \$36,105 from the original budget and proposed in the final budget is primarily due to the following:

- a) Candidates for Trustee positions in October 2022 were not opposed and thus a full election with balloting procedures was not necessary. Projected expenses of \$7,700 were not incurred and in addition, a refund of \$6,366 was received for prepaid services.
- b) Several Committee and Board meetings have been virtual, thus reducing meeting expenses and requested Trustee reimbursements by an estimated \$22,039 in expenses.

Administrative Operations

Personnel

Costs of current personnel are consistent with the original budget. In evaluating the needs of the Fund, additional personnel are requested in the final budget. Specifically, the final budget

includes an Information Technology staff member (\$96,000), a second Senior Accountant (\$95,000), and the hiring of a second Administrative Analyst instead of an Executive Assistant (incremental salary of \$22,000). The hiring of a Communications Specialist, which was included in the original budget is also anticipated. If approved, the final budget assumes a start date of April 1, 2023, for these personnel and an increase of \$105,753 over the original budget.

Professional Services

Costs of professional services in the final budget are expected to be \$139,687 less than the original budget. There are several significant elements of this change, with offsetting increases and decreases:

- a) Expenses of the Outsourced Chief Financial Officer are expected to be approximately \$75,000 higher in the final budget. There have been many months of services at the Tier 6 level during the transition period of assets. Services for the most recent month of February, were at the Tier 3 level. The Finance Director continues to work with Lauterbach & Amen to assume more tasks, responsibilities and oversight of finance and accounting procedures and evaluate resources needed to build an internal finance and accounting department at the Fund.
- b) Administrative support services are expected to be approximately \$37,000 higher in the final budget. These additional services are directly related to support provided in connection with the transfer of assets from the participating local funds to the Fund.
- c) Legal services (General, Fiduciary and Litigation, and Auxiliary Legal Counsel) are expected to be approximately \$290,000 less in the final budget. The reduction in expenses is due to lower utilization of legal counsel and delayed hiring of auxiliary legal counsel. In addition, the investment program has been focused on the transfer of assets from participating local funds and the short-term allocation. As the investment program evolves and migrates to a long-term allocation with active management in private markets, legal costs are expected to increase in future years.

Bank Services and Fees

Interest costs have been higher than expected, with an estimated \$120,163 increase in the final budget over the original budget. The Federal Funds rate is currently at 4.5-4.75% versus .0-.25% in February of 2022. An analysis has been prepared regarding expected interest costs. The final budget includes interest of the loan through March 31, 2023.

Services and Supplies

Costs of services and supplies in the final budget are expected to be \$41,714 lower than the original budget. Items with significant changes, including offsetting increases and decreases are as follows:

- a) Insurance costs are approximately \$35,000 less than expected. All insurance premiums have been paid and no additional expenses are anticipated.
- b) Website costs are approximately \$35,000 more than the original budget. This increase is due to completion and implementation of the Pension app (\$15,000) and additional costs associated with the buildout and improvements to the website.

Investment Operations

Personnel

Costs of current personnel are consistent with the original budget and no modifications are necessary. The original and final budget includes hiring two additional investment staff, for a team of five personnel at the end of fiscal year 2023. If approved, the final budget assumes a start date of April 1, 2023, for these personnel.

Investment and Banking

Investment and Banking expenses are expected to be \$169,160 lower in the final budget as compared to the original budget. The most significant factor is a decrease in expected investment management fees of \$161,210. The original budget assumed assets under management (AUM) of \$10.0 billion as December 31, 2022. The final budget assumes AUM of \$9.0 billion for the last six months of the fiscal year. As of March 1, 2023, AUM were \$8.857 billion.

Professional Services

Professional service expenses are expected to be \$959,729 lower in the final budget. Reasons for this decrease are as follows:

- a) As of December 31, 2022, the Board confirmed the conclusion of the transition period. While there will be some transition activity in May of 2023 to include participating local funds that had not yet transferred assets at December 31, support services from the transition architect and the transition consultant will not be utilized beyond December 31. Final bills from these service providers have been received and no additional costs are expected. This is a reduction of \$457,463 of expenses as compared to the original budget.
- b) While the transition manager will continue to provide services to support the transfer of assets beyond December 31, the fee cap of \$1.5 million was reached in October of 2022. No additional fees are expected. In addition, an accrual of approximately \$652,000 was recorded as of June 30, 2022, for services provided for the first five tranches, thus reducing expenses in fiscal year 2023. This is a reduction of \$502,266 in fees as compared to the original budget.

Recommended Action: Approve Fiscal Year 2023 revised budget, dated March 17, 2023.

1. Refund of \$6,366 has been received for prepaid services.
2. Invoices for services through November have now been received. Final proposed budget was reduced by \$40,000 from March 2, 2023, presentation to the Committee.
3. Invoices for services through January have now been received. Final proposed budget was reduced by \$30,000 from March 2, 2023, presentation to the Committee.
4. Invoice for Q4 2022 has now been received. Final proposed budget was increased by \$600 from March 2, 2023, presentation to the Committee.

Function
<u>Category</u>
Sub-Category
Sub-Category Detail

	Original Adopted Budget	Projected Budget Spend March 1, 2023	Actual thru March 1, 2023	Proposed Final Budget June 30	Comments Provided for Changes >\$5,000 and 10% from Original Budget
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EXPENDITURES

Board of Trustees and Meetings

Board of Trustees and Meetings Expenses

Professional Services

Administrative Services	64,800	43,200	3,200	64,800	
Election Services	7,700	7,700	** (6,366)	(6,366)	Election not necessary - all candidates uncontested. Refund received.
Education and Training	18,000	12,000	11,125	18,000	
Meeting Expenses	21,000	14,000	4,261	9,461	Several Board meetings have been virtual, reducing expenses.
Board Member Reimbursements	21,000	14,000	664	10,500	Several Board meetings have been virtual, reducing reimbursements.
	132,500	90,900	12,885	96,395	

Administrative Operations

Personnel Costs

	620,695	413,797	340,429	726,448	
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Professional Services

Finance

Accounting	24,000	16,000	8,000	24,000	
Audit - Financial	27,500	27,500	** 27,500	27,500	
Audit - Certified Asset List	444,924	296,616	* 354,670	444,924	
Audit - Transition	13,752	9,168	*	13,752	
Chief Financial Officer	130,200	86,800	89,369	204,919	Tier 3 services budgeted, many months at Tier 6 during transition months.
Administrative Services	116,400	77,600	23,475	153,500	Additional hours needed with transition-related services and support.
Government Liaison	68,400	45,600	39,900	68,400	
Actuarial Services	179,000	119,333	119,125	183,250	
Human Resources	24,000	16,000	6,733	24,000	
Legal Services					
General	120,000	80,000	14,713	70,000	Less utilization expected.
Fiduciary and Litigation	260,000	173,333	37,218	100,000	Less utilization expected, but will increase w/investment program activity.
Auxiliary Legal Counsel	80,000	53,333	-	-	Vendor not expected to be selected in fiscal year.
Technology Services	50,000	33,333	5,278	84,245	Additional expense with E&Y project and implementation of IT needs.
Communication Services	24,000	16,000	16,000	24,000	
	1,562,176	1,050,617	741,981	1,422,489	

Bank Services and Fees

Local Bank Fees	5,000	3,333	2,398	5,000	
Loan Interest Expense	111,848	74,565	148,392	232,011	Increase in Fed Funds Rate - Proposed Budget assumes payoff by April 3.
	116,848	77,898	150,790	237,011	

Services and Supplies

Assets under \$5,000	141,690	94,460	116,602	141,690	
Insurance	120,000	120,000	** 84,418	84,418	No further expenses expected - full premiums have been paid.
Office Lease	64,500	43,000	32,250	48,375	Rent commenced October 1, 2022, under new Lease amendment.
Printing & Postage	36,000	24,000	3,092	36,000	
Supplies & Maintenance	14,000	9,333	7,721	14,000	
Telecommunication	10,000	6,667	8,943	13,193	
Contingency	12,000	8,000	-	12,000	
Dues / Licenses	11,295	7,530	2,696	11,295	
Training & Education	24,000	16,000	135	12,000	Minimal staff activity in first half of year.
Travel & Transportation	24,000	16,000	2,528	12,000	Minimal staff activity in first half of year.
Utilities	9,000	6,000	-	5,100	Only utilities from lease to be charged to this account; bills forthcoming.
Website	15,300	10,200	35,789	50,000	Pension app for \$15,000 not in original budget; website buildout continues.
	481,785	361,190	294,173	440,071	

Investment Operations

Personnel Costs

	876,189	584,126	470,745	876,189	
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Investment & Banking

General Investment Consultant	427,500	285,000	213,750	427,500	
Database Subscription(s)	45,000	30,000	37,050	37,050	No additional expenses expected.
Investment Management	1,063,000	708,667	32,236	901,790	Original budget AUM of \$10billion at Dec. 31; current AUM is \$9billion.
Custodial Services	465,000	310,000	-	465,000	
	2,000,500	1,333,667	283,036	1,831,340	

Professional Services

Project Architect	60,000	40,000	* 28,175	28,175	No further services or expenses expected after December 31, 2022.
Transition Management	1,350,000	900,000	* 847,734	847,734	Cap of \$1.5 million has been reached; \$652,266 included in FY 2022 accrual.
Transition Consultant/Services	713,400	475,600	* 287,762	287,762	No further services or expenses expected after December 31, 2022.
	2,123,400	1,415,600	1,163,671	1,163,671	

TOTAL BUDGETED EXPENDITURES

	7,914,093	5,327,795	3,457,710	6,793,614	
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* Note: These expenses are related to transition of assets. The total amount budgeted in FY 2023 is \$2,582,076. Expected amount in revised budget is 1,622,347

**Proration is not applicable as service or purchase is specific to one-time event that has completed.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



MONTHLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

PREPARED BY:



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Illinois Police Officers' Pension Investment Fund
Statement of Fiduciary Net Position
As of December 31, 2022

Assets	
Cash	
Lake Forest B&T	\$ 600,705
Total Cash	600,705
Investments	
Investments	8,439,681,808
Total Investments	8,439,681,808
Total Assets	8,440,282,513

Liabilities	
Payables	
Illinois Finance Authority Loan	6,486,046
Capitalized Interest	79,635
Total Payables	6,565,681
Accrued Expenses	
Payroll & Related	97,252
Professional	671,838
General	89,626
Total Accrued Expenses	858,716
Total Liabilities	7,424,397

Net Position Restricted	8,432,858,116
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**Illinois Police Officers' Pension Investment Fund
Statement of Changes in Fiduciary Net Position
For the Six Months Ended December 31, 2022**

Additions	
Proceeds	
Cash Received from Local Funds	105,122,345
Investments Received from Local Funds	5,580,116,332
Total Proceeds	<u>5,685,238,677</u>
Investment Income (Loss)	
Lake Forest Bank & Trust - Checking #9736	978
Lake Forest Bank & Trust - Max Safe	6,577
Interest	29,984,738
Net appreciation (depreciation) in fair value of investments	(334,191)
Net Investment Income (Loss)	<u>29,658,102</u>
Total Additions	<u>5,714,896,779</u>
Deductions	
Administrative Expenses	
Board of Trustees & Meetings	(7,649)
Administrative Operations	(975,465)
Investment Operations	(728,121)
Total Administrative Expenses	<u>(1,711,235)</u>
Participating Fund Withdrawals	(15,075,861)
Total Deductions	<u>(16,787,096)</u>
Net Increase (Decrease)	5,698,109,683
Net Position Restricted	
Beginning of the Year	2,734,748,434
End of the Period	<u>8,432,858,117</u>

Illinois Police Officers' Pension Investment Fund

Additions Report for the Six Months Ended December 31, 2022

	<u>Received</u> <u>this Month</u>	<u>Budgeted*</u> <u>this Month</u>	<u>Received this</u> <u>Fiscal Year</u>	<u>Budgeted* this</u> <u>Fiscal Year</u>
Additions				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	22,196,535	-	105,122,345	-
Investments Received from Local Funds	879,793,500	-	5,580,116,332	-
	<u>901,990,035</u>	<u>-</u>	<u>5,685,238,677</u>	<u>-</u>
<u>Investment Income (Loss)</u>				
Interest & Dividends	10,217,485	-	29,992,293	-
Net appreciation (depreciation)	(185,748,427)	-	(334,191)	-
	<u>(175,530,942)</u>	<u>-</u>	<u>29,658,102</u>	<u>-</u>
Total Additions	726,459,093	-	5,714,896,779	-

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Six Months Ended December 31, 2022

	<u>Expended this Month</u>	<u>Budgeted* this Month</u>	<u>Expended this Year</u>	<u>Budgeted* this Year</u>
Expenditures				
Board of Trustees and Meetings				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Administrative Services</i>	-	5,400	-	64,800
<i>Election Services</i>	(6,366)	642	(6,366)	7,700
Education and Training	-	1,500	10,258	18,000
Meeting Expenses	989	1,750	3,288	21,000
Board Member Reimbursements	195	1,750	469	21,000
	(5,182)	11,042	7,649	132,500
Administrative Operations				
<u>Personnel</u>				
Administrative Personnel	48,333	40,829	196,833	489,950
Employment Expenses				
<i>FICA/Medicare</i>	2,663	3,123	10,476	37,481
<i>Medical/Dental Benefits</i>	4,329	4,076	4,929	48,912
<i>Unemployment</i>	-	250	-	3,000
<i>Retirement Benefits</i>	4,778	3,446	12,822	41,352
	60,103	51,724	225,060	620,695
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	6,000	2,000	8,000	24,000
<i>Audit - Financial</i>	-	2,292	-	27,500
<i>Audit - Certified Asset List</i>	88,405	37,077	247,665	444,924
<i>Audit - Transition</i>	-	1,146	-	13,752
<i>Chief Financial Officer</i>	67,719	10,850	89,369	130,200
Administrative Services	-	9,700	2,063	116,400
Government Liaison	5,700	5,700	28,500	68,400
Actuarial Services	-	14,917	5,288	179,000
Outsourced Human Resources	6,733	2,000	6,733	24,000
Legal Services				
<i>Legal Services - General</i>	-	10,000	14,713	120,000
<i>Legal Services - Fiduciary</i>	1,454	21,667	26,904	260,000
<i>Legal Services - Auxiliary</i>	-	6,667	-	80,000
Technology Services	810	4,167	4,265	50,000
Communication Services	-	2,000	12,000	24,000
	176,821	130,183	445,500	1,562,176

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Six Months Ended December 31, 2022

	<u>Expended this Month</u>	<u>Budgeted* this Month</u>	<u>Expended this Year</u>	<u>Budgeted* this Year</u>
Expenditures				
<u>Bank Services and Fees</u>				
Local Bank Fees	2,143	417	2,143	5,000
Loan Interest Expense	-	9,321	61,961	111,848
	<u>2,143</u>	<u>9,738</u>	<u>64,104</u>	<u>116,848</u>
<u>Services & Supplies</u>				
Assets under \$5,000	17,792	11,808	88,566	141,690
Insurance	-	10,000	84,418	120,000
Office Lease/Rent	16,125	5,375	16,125	64,500
Printing & Postage	21	3,000	21	36,000
Supplies & Maintenance	2,460	1,167	6,279	14,000
Telecommunication	1,694	833	6,968	10,000
Contingency	-	1,000	(1)	12,000
Dues / Licenses	300	941	891	11,295
Training & Education	-	2,000	135	24,000
Travel & Transportation	81	2,000	2,367	24,000
Utilities	-	750	-	9,000
Website	17,263	1,275	35,032	15,300
	<u>55,736</u>	<u>40,149</u>	<u>240,801</u>	<u>481,785</u>
Investment Operations				
<u>Personnel</u>				
Investment Operations Personnel	50,000	59,375	267,346	712,500
Employment Expenses				
<i>FICA/Medicare</i>	1,895	4,542	12,420	54,506
<i>Medical/Dental Benefits</i>	9,583	3,879	31,199	46,548
<i>Unemployment</i>	-	208	-	2,500
<i>Retirement Benefits</i>	9,408	5,011	35,160	60,135
	<u>70,886</u>	<u>73,015</u>	<u>346,125</u>	<u>876,189</u>
<u>Investment & Banking</u>				
General Investment Consultant	-	35,625	106,875	427,500
Database Subscription(s)	-	3,750	-	45,000
Investment Management	9,378	88,583	14,496	1,063,000
Custodial Services	-	38,750	-	465,000
	<u>9,378</u>	<u>166,708</u>	<u>121,371</u>	<u>2,000,500</u>

Illinois Police Officers' Pension Investment Fund Deductions Report for the Six Months Ended December 31, 2022

	Expended <u>this Month</u>	Budgeted* <u>this Month</u>	Expended <u>this Year</u>	Budgeted* <u>this Year</u>
Expenditures				
<u>Professional Services</u>				
Project Architect	-	5,000	20,825	60,000
Transition Management	-	112,500	-	1,350,000
Transition Consultant/Services	47,960	59,450	239,800	713,400
	<u>47,960</u>	<u>176,950</u>	<u>260,625</u>	<u>2,123,400</u>
Total Expenditures	417,845	659,509	1,711,235	7,914,093
Participating Fund Withdrawals		6,849,651	15,075,861	
Total Deductions		7,267,496	16,787,096	

*Including All Budget Amendments as of December 31, 2022

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



MONTHLY FINANCIAL REPORT

FOR THE SEVEN MONTHS ENDED JANUARY 31, 2023

PREPARED BY:



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Illinois Police Officers' Pension Investment Fund
Statement of Fiduciary Net Position
As of January 31, 2023

Assets	
Cash	
Lake Forest B&T	\$ 478,778
Total Cash	<u>478,778</u>
Investments	
Investments	8,963,102,728
Total Investments	<u>8,963,102,728</u>
Total Assets	8,963,581,506

Liabilities	
Payables	
Illinois Finance Authority Loan	5,548,091
Capitalized Interest	79,635
Total Payables	<u>5,627,726</u>
Accrued Expenses	
Payroll & Related	97,269
Professional	671,838
General	89,626
Total Accrued Expenses	<u>858,733</u>
Total Liabilities	6,486,459

Net Position Restricted	8,957,095,047
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**Illinois Police Officers' Pension Investment Fund
Statement of Changes in Fiduciary Net Position
For the Seven Months Ended January 31, 2023**

Additions

Proceeds

Cash Received from Local Funds	154,636,756
Investments Received from Local Funds	5,626,951,044

Total Proceeds	5,781,587,800
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Investment Income (Loss)

Lake Forest Bank & Trust - Checking #9736	1,023
Lake Forest Bank & Trust - Max Safe	6,606
Interest	33,399,673
Net appreciation (depreciation) in fair value of investments	436,097,253

Net Investment Income (Loss)	469,504,555
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Total Additions	6,251,092,355
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Deductions

Administrative Expenses

Board of Trustees & Meetings	(7,649)
Administrative Operations	(1,196,204)
Investment Operations	(837,749)

Total Administrative Expenses	(2,041,602)
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Participating Fund Withdrawals	(26,704,138)
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Total Deductions	(28,745,740)
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Net Increase (Decrease)	6,222,346,615
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Net Position Restricted

Beginning of the Year	2,734,748,434
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End of the Period	8,957,095,047
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Illinois Police Officers' Pension Investment Fund

Additions Report for the Seven Months Ended January 31, 2023

	<u>Received this Month</u>	<u>Budgeted* this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted* this Fiscal Year</u>
Additions				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	49,514,411	-	154,636,756	-
Investments Received from Local Funds	46,834,713	-	5,626,951,044	-
	<u>96,349,124</u>	<u>-</u>	<u>5,781,587,800</u>	<u>-</u>
<u>Investment Income (Loss)</u>				
Interest & Dividends	3,415,009	-	33,407,302	-
Net appreciation (depreciation)	436,431,444	-	436,097,253	-
	<u>439,846,453</u>	<u>-</u>	<u>469,504,555</u>	<u>-</u>
Total Additions	536,195,577	-	6,251,092,355	-

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Seven Months Ended January 31, 2023

	<u>Expended this Month</u>	<u>Budgeted* this Month</u>	<u>Expended this Year</u>	<u>Budgeted* this Year</u>
Expenditures				
Board of Trustees and Meetings				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Administrative Services</i>	-	5,400	-	64,800
<i>Election Services</i>	-	642	(6,366)	7,700
Education and Training	-	1,500	10,258	18,000
Meeting Expenses	-	1,750	3,288	21,000
Board Member Reimbursements	-	1,750	469	21,000
	<u>-</u>	<u>11,042</u>	<u>7,649</u>	<u>132,500</u>
Administrative Operations				
<u>Personnel</u>				
Administrative Personnel	48,333	40,829	245,166	489,950
Employment Expenses				
<i>FICA/Medicare</i>	4,021	3,123	14,497	37,481
<i>Medical/Dental Benefits</i>	283	4,076	5,212	48,912
<i>Unemployment</i>	-	250	-	3,000
<i>Retirement Benefits</i>	4,079	3,446	16,902	41,352
	<u>56,716</u>	<u>51,724</u>	<u>281,777</u>	<u>620,695</u>
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	-	2,000	8,000	24,000
<i>Audit - Financial</i>	22,500	2,292	22,500	27,500
<i>Audit - Certified Asset List</i>	52,990	37,077	300,655	444,924
<i>Audit - Transition</i>	-	1,146	-	13,752
<i>Chief Financial Officer</i>	-	10,850	89,369	130,200
Administrative Services	-	9,700	2,063	116,400
Government Liaison	-	5,700	28,500	68,400
Actuarial Services	-	14,917	5,288	179,000
Outsourced Human Resources	-	2,000	6,733	24,000
Legal Services				
<i>Legal Services - General</i>	-	10,000	14,713	120,000
<i>Legal Services - Fiduciary</i>	-	21,667	26,904	260,000
<i>Legal Services - Auxiliary</i>	-	6,667	-	80,000
Technology Services	608	4,167	4,873	50,000
Communication Services	-	2,000	12,000	24,000
	<u>76,098</u>	<u>130,183</u>	<u>521,598</u>	<u>1,562,176</u>

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Seven Months Ended January 31, 2023

	<u>Expended this Month</u>	<u>Budgeted* this Month</u>	<u>Expended this Year</u>	<u>Budgeted* this Year</u>
Expenditures				
<u>Bank Services and Fees</u>				
Local Bank Fees	259	417	2,402	5,000
Loan Interest Expense	86,431	9,321	148,392	111,848
	<u>86,690</u>	<u>9,738</u>	<u>150,794</u>	<u>116,848</u>
<u>Services & Supplies</u>				
Assets under \$5,000	-	11,808	88,566	141,690
Insurance	-	10,000	84,418	120,000
Office Lease/Rent	-	5,375	16,125	64,500
Printing & Postage	-	3,000	21	36,000
Supplies & Maintenance	-	1,167	6,279	14,000
Telecommunication	-	833	6,968	10,000
Contingency	89	1,000	88	12,000
Dues / Licenses	-	941	891	11,295
Training & Education	-	2,000	135	24,000
Travel & Transportation	-	2,000	2,367	24,000
Utilities	-	750	-	9,000
Website	1,145	1,275	36,177	15,300
	<u>1,234</u>	<u>40,149</u>	<u>242,035</u>	<u>481,785</u>
Investment Operations				
<u>Personnel</u>				
Investment Operations Personnel	50,000	59,375	317,346	712,500
Employment Expenses				
<i>FICA/Medicare</i>	4,080	4,542	16,500	54,506
<i>Medical/Dental Benefits</i>	6,496	3,879	37,694	46,548
<i>Unemployment</i>	-	208	-	2,500
<i>Retirement Benefits</i>	4,376	5,011	39,536	60,135
	<u>64,952</u>	<u>73,015</u>	<u>411,076</u>	<u>876,189</u>
<u>Investment & Banking</u>				
General Investment Consultant	-	35,625	106,875	427,500
Database Subscription(s)	36,050	3,750	36,050	45,000
Investment Management	8,627	88,583	23,123	1,063,000
Custodial Services	-	38,750	-	465,000
	<u>44,677</u>	<u>166,708</u>	<u>166,048</u>	<u>2,000,500</u>

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Seven Months Ended January 31, 2023

	<u>Expended this Month</u>	<u>Budgeted* this Month</u>	<u>Expended this Year</u>	<u>Budgeted* this Year</u>
Expenditures				
<u>Professional Services</u>				
Project Architect	-	5,000	20,825	60,000
Transition Management	-	112,500	-	1,350,000
Transition Consultant/Services	-	59,450	239,800	713,400
	<u>-</u>	<u>176,950</u>	<u>260,625</u>	<u>2,123,400</u>
Total Expenditures	330,367	659,509	2,041,602	7,914,093
Participating Fund Withdrawals		11,628,277	26,704,138	
Total Deductions		11,958,644	28,745,740	

*Including All Budget Amendments as of January 31, 2023

Warrant #60



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

BOARD OF TRUSTEES and MEETINGS

Education and Training

1/29/2023	Lee Catavu	
	Out-of-Pocket reimbursement for transportation to National Association of Police Organizations Annual Pension & Benefits Seminar January 29-31, 2023	\$867.81

Meeting Expenses

2/2/2023	Prospect Sound & Lighting	
	Sound system and microphones rental, delivery, set-up and tear down for January 27, 2023, Board Meeting, invoice #11788A	\$560.00

TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES **\$1,427.81**

ADMINISTRATIVE OPERATIONS

Professional Services - Finance

Audit - Financial

1/26/2023	Sikich LLP	
	Final billing related to the audit of the Fund's financial statements for the year ending June 30, 2022, Invoice #6489	\$5,000.00

Audit - Certified Asset List

2/6/2023	Sikich LLP	
	Progress billing related to Agreed-Upon-Procedures performed through January 31, 2023, Invoice #7001	\$27,115.00

Professional Services - Actuarial Services

11/11/2022	Foster & Foster, Inc.	
	Preparation of Fiscal Year 2022 Actuarial Valuation reports for 12 participating pension funds and preparation of valuation user's guide Invoice #25235	\$7,125.00

Professional Services - Legal - Fiduciary

2/13/2023	Jacobs Burns Orlove & Hernandez LLP	
	Legal Services rendered for January 2023, General Matters Invoice #107338	\$6,434.30
	Legal Services rendered for January 2023, Litigation Invoice #107339	<u>\$118.00</u>
		\$6,552.30

Professional Services - Technology Services

2/7/2023	Levi, Ray & Shoup, Inc.	
	Network support consulting services of Arron Gass for January 2023 Invoice #288820	\$405.00

Warrant #60



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Professional Services - Communications Services

2/2/2023	Shepard Communications Professional Service Fee for March 2023	\$2,000.00
Total Administrative Operations Professional Services Expenses		\$48,197.30

Services and Supplies

Office Lease

3/1/2023	City of Peoria Rent for March 2023, Invoice #42949	\$5,375.00
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Printing & Postage

2/8/2023	Katherine Cobb Out-of-Pocket reimbursement for fee to mail items to a Board member	\$9.60
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Supplies & Maintenance

2/8/2023	Katherine Cobb Out-of-Pocket reimbursement for mounting and framing of Metropolitan Alliance of Police (MAP) logo for Office display	\$308.84
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Telecommunication

2/4/2023	AmeriCALL Monthly telephone charges for February 4, 2023, to March 3, 2023 Invoice #2759974	\$230.06
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Travel & Transportation

2/8/2023	Katherine Cobb Out-of-Pocket reimbursement for February parking fee and wire transfer fee	\$96.00
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Dues & Licenses

1/20/2023	ADP, Inc. Processing charges for pay period ending January 31, 2023, paid February 17, 2023, Debit #626086051	\$8.95
2/9/2023	Association of International Certified Professional Accountants AICPA Core Membership - renewal through July 31, 2023	\$315.00
1/1/2023	Illinois Government Finance Officers Association 2023 Membership Renewal	\$150.00
2/8/2023	Katherine Cobb Out-of-Pocket reimbursement for Notary Public Recertification fees	\$53.00

Warrant #60



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Dues & Licenses (continued)

2/8/2023	Levi, Ray & Shoup, Inc. Microsoft 365 Business Basic Recurring Licenses (11), Invoice #288948	\$792.00
Total Dues & Licenses Expenses		\$1,318.95

Website

Levi, Ray & Shoup, Inc.		
2/7/2023	Website maintenance services for January 2023, Invoice #288821	\$143.75
2/7/2023	Website hosting and related support, Invoice #288822	<u>\$200.00</u>
		\$343.75
Total Administrative Operations Services and Supplies Expenses		\$7,682.20

TOTAL ADMINISTRATIVE OPERATIONS EXPENSES **\$55,879.50**

INVESTMENT OPERATIONS

Personnel Costs

2/8/2023	Kent Custer Out-of-Pocket reimbursement for quarterly insurance premium per employment agreement	\$498.00
Total Investment Operations Personnel Costs		\$498.00

Investment & Banking

Investment Management

State Street Global Advisors		
11/18/2022	Investment Management Services for March 2022 - Emerging Markets Index Fund, \$14,252,097 AUM, 1.55 bps Invoice #SSGABA3622643	\$133.15
11/18/2022	Investment Management Services for March 2022 - Ex US Small Cap Index Fund, \$10,720,963 AUM, 1.55 bps Invoice #SSGABA3622645	\$95.61
11/18/2022	Investment Management Services for March 2022 - US REIT Index Fund \$8,109,780 AUM, 1.55 bps Invoice #SSGABA3622646	\$58.55
11/18/2022	Investment Management Services for March 2022 - US Agg Bond Index Fund \$12,642,721 AUM, 1.55 bps Invoice #SSGABA3622647	\$75.16
11/18/2022	Investment Management Services for March 2022 - US S-T Gov/Credit Bond Index Fund, \$32,149,304 AUM, 1.55 bps Invoice #SSGABA3622648	\$191.13
11/18/2022	Investment Management Services for March 2022 - US High Yield Bond Index Fund, \$21,454,450 AUM, 1.55 bps Invoice #SSGABA3622649	\$127.55
11/18/2022	Investment Management Services for March 2022 - Non-US Developed Index Fund, \$31,875,422 AUM, 1.55 bps Invoice #SSGABA3622651	\$284.26

Warrant #60



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Investment Management (continued)

State Street Global Advisors (continued)		
11/18/2022	Investment Management Services for March 2022 - US TIPS 0-5 Yrs Fund \$6,447,462 AUM, 1.55 bps Invoice #SSGABA3622652	\$38.33
Total Investment Management Expenses		\$1,003.74
Total Investment Operations Investment & Banking Expenses		\$1,003.74

Professional Services

Transition Management

State Street Global Markets		
12/2/2022	Professional services for transition of assets management, Tranche 6 August 2022, Equity, Fixed Income and Futures trades	\$303,920.59
12/2/2022	Professional services for transition of assets management, Tranche 7 September 2022, Equity, Fixed Income and Futures trades	\$302,832.31
Total Transition Management Expenses		\$606,752.90
Total Investment Operations Professional Services Expenses		\$606,752.90

TOTAL INVESTMENT OPERATIONS EXPENSES	\$608,254.64
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TOTAL EXPENSES FOR RATIFICATION	\$665,561.95
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Warrant #61



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

BOARD OF TRUSTEES and MEETINGS

Professional Services

Administrative Services

	Foster & Foster	
3/3/2023	Plan administration services for the month of August 2022, including August 12 Board Meeting, invoice #26244	\$3,200.00
3/3/2023	Plan administration services for the month of September 2022, including Sept 9 Board Meeting and Sept 1 Election Committee Meeting, Invoice #26246	\$3,725.00
3/3/2023	Plan administration services for the month of October 2022, including Oct 14 Board Meeting, Contract Committee Meeting, Audit and Budget Committee Meeting, Governance Committee Meeting, and Legislative Committee Meeting, Invoice #26247	\$5,800.00
3/3/2023	Plan administration services for the month of November 2022, including Nov 10 Board Meeting and Nov 30 Audit and Budget Committee Meeting Invoice #26248	\$3,987.50

TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES \$16,712.50

ADMINISTRATIVE OPERATIONS

Professional Services

Administrative Services

	Foster & Foster	
3/3/2023	Plan administration services to support transition of assets and Executive Director/CIO for the month of August 2022, Invoice #26244	\$12,487.50
3/3/2023	Plan administration services to support transition of assets and Executive Director/CIO for the month of September 2022, Invoice #26246	\$10,800.00
3/3/2023	Plan administration services to support transition of assets and Executive Director/CIO for the month of October 2022, Invoice #26247	\$9,212.50
3/3/2023	Plan administration services to support transition of assets and Executive Director/CIO for the month of November 2022, Invoice #26248	<u>\$6,675.00</u>

\$39,175.00

Actuarial Services

3/3/2023	Foster & Foster Preparation of Fiscal Year 2022 Actuarial Valuation reports for 14 participating pension funds, Invoice #26233	\$7,000.00
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Warrant #61



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Legal Services - General

2/23/2023	Reimer Dobrovolny & Labardi PC	
	Legal Services Rendered by Rick Reimer and Out-of-Pocket Expenses October 14 - December 22, 2022, Invoice #29018	\$9,208.20
	Total Administrative Operations Professional Services Expenses	\$55,383.20

Services and Supplies

Printing & Postage

Foster & Foster		
3/3/2023	Reimbursement for August Postage -Transfer Mailings, Invoice #26244	\$1,202.67
3/3/2023	Reimbursement for September Postage -Transfer Mailings, Invoice #26246	\$2,020.87
3/3/2023	Reimbursement for October Postage -Transfer Mailings, Invoice #26247	\$381.73
3/3/2023	Reimbursement for November Postage -Transfer Mailings, Invoice #26248	<u>\$519.20</u>
		\$4,124.47

Supplies & Maintenance

ODP Business Solutions LLC		
2/17/2023	Office Supplies, 1 set of Business Cards, Invoice # 291136122001	\$42.99
2/20/2023	Office Supplies, Custom Printed Labels, Invoice #293297084001	\$12.99
2/17/2023	Office Supplies, Postage Stamps and Envelopes, Invoice # 293297753001	\$90.96
2/16/2023	Office Supplies, Stamp Ink Refill, Invoice #293772011001	\$6.69
2/24/2023	Office Supplies, Stamp Ink Refill and Ethernet Cable 25", Invoice # 29377307!	\$24.78
2/15/2023	Office Supplies, 6-outlet Surge Protector, Invoice #293773080001	<u>\$29.99</u>
		\$208.40
2/17/2023	Richard White Out-of-pocket reimbursement for purchases to The Sign Shop and Owl Labs	\$461.00
2/28/2023	The Cleaning Source Peoria LLC Weekly cleaning service for February 2023, Invoice #IP0223	\$186.00
	Total Supplies & Maintenance Expenses	\$855.40

Telecommunication

2/17/2023	Richard White Out-of-Pocket expense reimbursement for 1 month of AT&T charges and 1 month of Comcast internet charges	\$619.16
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Warrant #61



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Dues & Licenses

3/3/2023	ADP, Inc. Processing charges for pay period ending February 15, 2023, paid February 28, 2023, Debit #627693350	\$89.23
Total Administrative Operations Services and Supplies Expenses		\$5,688.26

TOTAL ADMINISTRATIVE OPERATIONS EXPENSES **\$61,071.46**

INVESTMENT OPERATIONS

Investment & Banking

Investment Management

2/16/2023	Rhumbline Advisors Investment Management Services for January 2023 \$2,011,058,554 AUM, .5bps, Invoice #gipop12023January	\$8,143.00
State Street Global Advisors		
11/28/2022	Investment Management Services for May 2022 - US High Yield Bond Index Fund, \$59,260,790 AUM, 1.55 bps Invoice #SSGABA3635940	\$765.45
11/28/2022	Investment Management Services for May 2022 - Non-US Developed Index Fund, \$98,834,260 AUM, 1.55 bps Invoice #SSGABA3635942	\$1,276.61
11/28/2022	Investment Management Services for May 2022 - US TIPS 0-5 Yrs Fund \$20,724,790 AUM, 1.55 bps Invoice #SSGABA3635943	\$267.70
11/29/2022	Investment Management Services for June 2022 - US High Yield Bond Index Fund \$107,698,658 AUM, 1.55 bps Invoice #SSGABA3636117	\$1,391.11
11/29/2022	Investment Management Services for June 2022 - Non-US Developed Index Fund, \$166,309,996 AUM, 1.55 bps Invoice #SSGABA3636119	\$2,148.17
11/29/2022	Investment Management Services for June 2022 - US TIPS 0-5 Yrs Fund \$34,656,736 AUM, 1.55 bps Invoice #SSGABA3636120	\$447.65
12/19/2022	Investment Management Services for July 2022 - Emerging Markets Index Fund, \$137,961,057 AUM, 1.55 bps Invoice #SSGABA3640345	\$1,782.00
12/19/2022	Investment Management Services for July 2022 - Non-US Small Cap Index Fund, \$99,840,451 AUM, 1.55 bps Invoice #SSGABA3640347	\$1,289.61
12/19/2022	Investment Management Services for July 2022 - US REIT Index Fund \$38,558,972 AUM, 1.55 bps Invoice #SSGABA3640348	\$498.05
12/19/2022	Investment Management Services for July 2022 - US Agg Bond Index Fund \$140,570,061 AUM, 1.55 bps Invoice #SSGABA3640349	\$1,815.70

Warrant #61



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Investment Management (continued)

State Street Global Advisors (continued)

12/19/2022	Investment Management Services for July 2022 - US ST Gov/Credit Bond Fun \$272,831,925 AUM, 1.55bps Invoice #SSGABA3640350	\$3,524.08
12/19/2022	Investment Management Services for July 2022 - US High Yield Bond Index Fund \$197,712,092 AUM, 1.55 bps Invoice #SSGABA3640351	\$2,553.78
12/19/2022	Investment Management Services for July 2022 - Non-US Developed Index Fund, \$295,203,069 AUM, 1.55 bps Invoice #SSGABA3640353	\$3,813.04
12/19/2022	Investment Management Services for July 2022 - US TIPS 0-5 Yrs Fund \$63,993,337 AUM, 1.55 bps Invoice #SSGABA3640354	\$826.58
12/20/2022	Investment Management Services for August 2022 - Emerging Markets Index Fund, \$216,957,232 AUM, 1.55 bps Invoice #SSGABA3640633	\$2,802.36
12/20/2022	Investment Management Services for August 2022 - Non-US Small Cap Index Fund, \$159,631,778 AUM, 1.55 bps Invoice #SSGABA3640635	\$2,061.91
12/20/2022	Investment Management Services for August 2022 - US REIT Index Fund, \$97,403,248 AUM, 1.55 bps Invoice #SSGABA3640636	\$1,258.13
12/20/2022	Investment Management Services for August 2022 - US Agg Bond Index Func \$216,430,992 AUM, 1.55 bps Invoice #SSGABA3640637	\$2,795.57
12/20/2022	Investment Management Services for August 2022 - US ST Gov/Credit Bond Fund, \$462,361,225 AUM, 1.55bps Invoice #SSGABA3640638	\$5,972.17
12/20/2022	Investment Management Services for August 2022 - US High Yield Bond Index Fund \$316,832,669 AUM, 1.55 bps Invoice #SSGABA3640639	\$4,092.42
12/20/2022	Investment Management Services for August 2022 - Non-US Developed Index Fund, \$469,296,775 AUM, 1.55 bps Invoice #SSGABA3640641	\$6,061.75
12/21/2022	Investment Management Services for August 2022 - US TIPS 0-5 Yrs Fund \$97,368,593 AUM, 1.55 bps Invoice #SSGABA3640642	\$1,257.68
12/20/2022	Investment Management Services for September 2022 - Emerging Markets Index Fund, \$283,184,016 AUM, 1.55 bps Invoice #SSGABA3640682	\$3,657.79
12/20/2022	Investment Management Services for September 2022 - Non-US Small Cap Index Fund, \$201,373,155 AUM, 1.55 bps Invoice #SSGABA3640684	\$2,601.07
12/20/2022	Investment Management Services for September 2022 - US REIT Index Fund, \$126,509,786 AUM, 1.55 bps Invoice #SSGABA3640685	\$1,634.08
12/20/2022	Investment Management Services for September 2022 - US Agg Bond Index Fund, \$290,927,918 AUM, 1.55 bps Invoice #SSGABA3640686	\$3,757.82

Warrant #61



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023 Board Meeting

Investment Management (continued)

State Street Global Advisors (continued)

12/20/2022	Investment Management Services for September 2022 - Non-US Developed Index Fund, \$607,775,099 AUM, 1.55 bps Invoice #SSGABA3640690	\$7,850.43
12/22/2022	Investment Management Services for October 2022 - Emerging Markets Index Fund, \$370,840,797 AUM, 1.55 bps Invoice #SSGABA3640732	\$4,790.03
12/22/2022	Investment Management Services for October 2022 - Non-US Small Cap Index Fund, \$269,884,082 AUM, 1.55 bps Invoice #SSGABA3640734	\$3,486.00
12/22/2022	Investment Management Services for October 2022 - US REIT Index Fund, \$184,331,276 AUM, 1.55 bps Invoice #SSGABA3640735	\$2,380.95
12/22/2022	Investment Management Services for October 2022 - US Agg Bond Index Fund, \$384,935,540 AUM, 1.55 bps Invoice #SSGABA3640736	\$4,972.08
12/22/2022	Investment Management Services for October 2022 - US ST Gov/Credit Bond Fund, \$836,717,460 AUM, 1.55bps Invoice #SSGABA3640737	\$10,807.60
12/22/2022	Investment Management Services for October 2022 - Non-US Developed Index Fund, \$829,560,056 AUM, 1.55 bps Invoice #SSGABA3640740	\$10,715.15
12/22/2022	Investment Management Services for November 2022 - Emerging Markets Index Fund, \$461,367,817 AUM, 1.55 bps Invoice #SSGABA3640586	\$5,959.33
12/22/2022	Investment Management Services for November 2022 - Non-US Small Cap Index Fund, \$339,695,330 AUM, 1.55 bps Invoice #SSGABA3640588	\$4,387.73
12/22/2022	Investment Management Services for November 2022 - US REIT Index Fund, \$244,918,973 AUM, 1.55 bps Invoice #SSGABA3640589	\$3,163.54
12/22/2022	Investment Management Services for November 2022 - US Agg Bond Index Fund, \$455,905,266 AUM, 1.55 bps Invoice #SSGABA3640590	\$5,888.78
12/22/2022	Investment Management Services for November 2022 - US ST Gov/Credit Bond Fund, \$967,546,573 AUM, 1.55bps Invoice #SSGABA3640591	\$12,497.48
12/22/2022	Investment Management Services for November 2022 - Non-US Developed Index Fund, \$1,031,865,180 AUM, 1.55 bps Invoice #SSGABA3640594	\$13,328.26
2/24/2023	Investment Management Services for December 2022 - Emerging Markets Index Fund, \$543,570,697 AUM, 1.55 bps Invoice #SSGABA3683979	\$7,021.12
2/24/2023	Investment Management Services for December 2022 - Non-US Small Cap Index Fund, \$383,471,339 AUM, 1.55 bps Invoice #SSGABA3683981	\$4,953.17

Warrant #61



Illinois Police Officers'
PENSION INVESTMENT FUND

Expenses for Ratification - March 17, 2023
Board Meeting

Investment Management (continued)		
	State Street Global Advisors (continued)	
2/24/2023	Investment Management Services for December 2022 - US REIT Index Fund, \$283,334,550 AUM, 1.55 bps Invoice #SSGABA3683982	\$3,659.74
2/24/2023	Investment Management Services for December 2022 - US Agg Bond Index Fund, \$544,529,510 AUM, 1.55 bps Invoice #SSGABA3683983	\$7,033.51
2/24/2023	Investment Management Services for December 2022 - US ST Gov/Credit Bond Fund, \$1,149,638,996 AUM, 1.55bps Invoice #SSGABA3683984	\$14,849.50
2/24/2023	Investment Management Services for December 2022 - Non-US Developed Index Fund, \$1,158,091,319 AUM, 1.55 bps Invoice #SSGABA3683987	<u>\$14,958.68</u>
		\$203,055.36
	Total Investment Operations Investment & Banking Expenses	\$211,198.36
	TOTAL INVESTMENT OPERATIONS EXPENSES	\$211,198.36
	TOTAL EXPENSES FOR RATIFICATION	\$288,982.32

MEMORANDUM

TO: Board of Trustees

FROM: Richard White, Executive Director
Regina Tuczak, Finance Director

RE: IFA Loan Repayment

DATE: March 17, 2023

Item 6biv. IFA Loan Repayment

The Audit and Budget Committee discussed the loan with the Illinois Finance Authority (IFA) at their meeting on March 2, 2023. The next payment is due on or about March 31, 2023. Based on the information presented and discussed, the Committee recommended prepayment of the loan at the next scheduled installment payment.

As background information, the final draw date of the loan with the Illinois Finance Authority (IFA) was June 30, 2022, at which time the loan had a principal balance outstanding of \$7,503,635. The first payments on the loan were made at the end of September and interest associated with the September payments was \$69,691. The second payment was made on January 3, 2023, which included \$86,431 of interest. The principal balance outstanding after the payment on January 3, 2023, was \$5,627,727. There are six remaining payments to be made with the last payment due on or about June 30, 2024.

The interest rate on the loan is the greater of (a) the sum of the Federal Funds rate plus 150 basis points or (b) 1.5%. Based on a current Fed Funds rate of 4.5% an estimate of interest expense for the duration of the loan is approximately \$295,000, assuming no further rate changes. As the Fund is now in the payment period, the loan agreement with the IFA does not require a prepayment penalty, so long as the prepayment is not in an amount less than \$100,000. A schedule detailing the estimated interest calculation is included as an attachment to this memo.

Recommended Action: Approve the Audit and Budget Committee's recommendation to prepay the IFA loan at the next scheduled installment payment, which is on or before April 3, 2023, the first business day after March 31, 2023.

ESTIMATED LOAN PAYMENT CALCULATION at February 23, 2023

Principal	7,503,635.84	Number of Remaining Payments	6
Term	2 Years	Quarterly Rate	0.015
Current Rate*	6.00%	Payment	\$1,000,000.00
Rate for January 2023	5.83%		

Date	Beginning Balance	Payment	Interest	Principal	Balance	
1/3/2023	5,627,726.88					
3/31/2023			\$1,000,000.00	83,618.64	\$916,381.36	4,711,345.52
6/30/2023			\$1,000,000.00	70,670.18	\$929,329.82	3,782,015.70
9/30/2023			\$1,000,000.00	56,730.24	\$943,269.76	2,838,745.94
12/31/2023			\$1,000,000.00	42,581.19	\$957,418.81	1,881,327.13
1/31/2024			\$1,000,000.00	28,219.91	\$971,780.09	909,547.04
3/31/2024			923,190.24	13,643.21	909,547.04	-
Estimated Totals			\$5,923,190.24	\$295,463.36	\$5,627,726.88	

EXCERPTS FROM LOAN AGREEMENT

“Loan Rate” means, during each Loan Rate Period, a per annum rate equal to the greater of (i) the sum of 150 basis points plus the Federal Funds Rate that is listed for the first day of such Loan Rate Period (understanding that such Federal Funds Rate is published on the next business day) or (ii) 1.50%.

Section 3.4 Prepayments. The Borrower may not prepay the Note in full or in part prior to the commencement of the Payment Period. Beginning upon the first day of the Payment Period, the Borrower may prepay the Note in full or in part, and without premium or penalty, at any time in an amount not less than \$100,000. Each prepayment, whether voluntary, by reason of acceleration, or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid.

*Fed Funds rate of 4.50% assumption

Illinois
Police
Officers'
Pension
Investment
Fund

**Administration/Operations
Update**

**Richard White,
Executive Director**

**IPOPIF Board Meeting
Friday, March 17, 2023**

COMMUNICATIONS

- **Communications:**
 - **Article 3 Fund Reports**
 - Monthly investment reports for the month of January for each of the Article 3 funds have been posted to the Website and are now available for the Article 3 participating police pension funds, municipalities, other stakeholders and the general public to review.
 - Reports continue to be available to Funds via on-line portal.
 - **Actuarial Valuation Reports**
 - Approximately 250 valuations reports have been completed by Foster & Foster and available on the Website.
 - **Board of Trustees Page**
 - Board of Trustees and Staff Directory added to Website
 - **Agenda and Packet Materials**
 - Agenda and packet materials posted to the Website

COMMUNICATIONS

- **Communications:**
 - **Annual Comprehensive Financial Report –FY 2022**
 - The recently approved ACFR report added to Website and provided to the IDOI.
 - **Investment Reports**
 - January 2023 monthly report added to Website.
 - Verus Quarterly report added to Website.
 - **Recruitments**
 - Senior Accountant and Administrative Analyst added to Website.
 - **Visitors**
 - 1,479 session visitors in February
 - Highest visited pages are Homepage, Investment Reports, RFP and Recruitments, Article 3 Fund Reports, Annual Reports, and About Us.
 - **Articles:**
 - Newsletter published for February.
 - IML Review – February
 - Fund Fire Article - February

COMMUNICATIONS

- **Communications:**
 - **External communications**
 - Numerous telephone and email communications with Funds regarding questions or exchange of information by staff.
 - Mailings sent to all Article 3 Funds in advance of their quarterly meetings with Authorized Agent information.
 - **Article 3 Fund meetings**
 - Executive Director and Finance Director attended Rockford Police Pension Fund meeting, via Zoom, on March 17, 2023.
 - **Speaking engagements**
 - Executive Director scheduled to speak at:
 - Illinois Professional Firefighters Association, 2023 Spring Pension Seminar, Addison IL, May 5, 2023.
 - Illinois Public Pension Fund Association, 2023 Pension Conference, Galina IL, May 12, 2023.

- **Human Resources:**

- Staffing:

- Recruitments open for Senior Accountant and Administrative Analyst
- Recruitments for Investment Officers anticipated soon
- Job descriptions for Information Technologist and Communication Specialist under development

- **Organizational Development:**

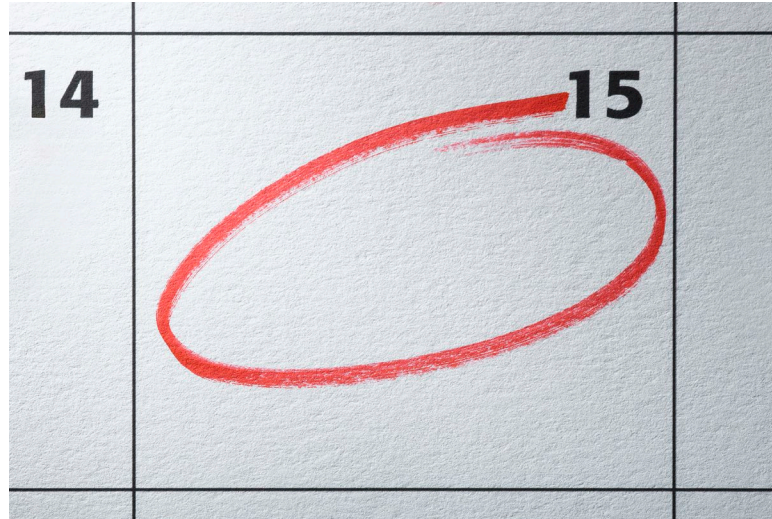
- Technology:

- Staff reviewing software for Accounting and Board Management Platform.
- Staff reviewing commercial grade printer options.
- Development of technology needs and plan is underway.

BOARD AND COMMITTEES

FEBRUARY 2023	MEETING DATE	AGENDA PACKET DELIVERED	AGENDA SUPPLEMENTAL PACKET	PACKET DELIVERED # DAYS IN ADVANCE	AGENDA ITEMS	AGENDA PAGES
BOARD OF TRUSTEES	2/10/2023	2/3/2023	N/A	7	30	253
CONTRACT	2/24/2023	2/17/2023	N/A	7	2	3

BOARD AND COMMITTEES



Committee Meetings:

Friday,
May 19, 2023

Board of Trustees:

Friday,
April 14, 2023

**Illinois
Police
Officers'
Pension
Investment
Fund**

**Administration/Operations
Update**

**Richard White,
Executive Director**

**IPOPIF Board Meeting
Friday, March 17, 2023**