



Illinois Police Officers' Pension Investment Fund

August 2024 Newsletter

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND PREPARES FOR FINAL CONSOLIDATION TRANSFERS

IPOPIF staff is working with several Article 3 Funds along with State Street Bank and Trust and our team of independent Certified Public Accountants to prepare for the final transfer of investment assets on October 1, 2024. According to Chief Investment Officer Kent Custer, the process is going very smoothly, and he commended the transferring funds for their participation and support. Incoming assets are expected to total slightly more than one billion dollars, which would bring the IPOPIF total fund value to approximately \$12 billion.

INVESTMENT UPDATES

As summer draws to an end, the investment staff of the Illinois Police Officers' Pension Investment Fund continues its work to diversify the investment portfolio. Among the searches currently underway are:

- **Emerging Market Debt Search**

The Emerging Market Debt (EMD) manager search is proceeding on plan. Board interviews with finalist firms and selection are planned for the September 13, 2024, board meeting.

- **Emerging Market Equity Search**

Also underway is the Emerging Market Equity (EME) ex China manager search. This is a new, but growing area, in the investment manager universe. Proposals were due by August 16th and final interviews and selection are targeted for the October 18, 2024, board meeting.

- **Private Credit**

The Board of Trustees approved a search for an active investment manager to build a diversified private credit (PC) portfolio at its meeting on July 19, 2024, and the search is now underway. This search seeks a single private credit platform with a wide spectrum of diversified strategies and an experienced track record. IPOPIF's long-term asset allocation includes 5% dedicated to the PC asset class. The investment staff's objective is to identify one manager that will be responsible for at least 3% of the allocation. Board interviews and selection are targeted for the December 13, 2024, Board meeting.

- **Private Markets Investments**

As noted in the July newsletter, IPOPIF's long-term asset allocation includes a 20% weight to private market investments including 7% to private equity, 5% to private credit, 5% to real estate, and 3% to infrastructure. During the summer, the investment staff has been incorporating feedback it received from the Board at its July meeting and is further developing the Private Markets implementation plan. It is currently scheduled to be reviewed at the September 13, 2024, Board meeting.

Investment Performance

Detailed performance as of June 30, 2024, will be reviewed at the September 13, 2024, Board of Trustees meeting. As noted previously, the Fund returned 11.9% for the Fiscal Year ending June 30, 2024.

The Fund was up 2.4% in July, powered by US Small Caps (+10.1%) and REITs (+5.9%). Early August saw a stock market drawdown of nearly 10% from the July peak, but the stress was short-lived and the IPOPIF fund was on track for positive returns for the month, led by international stocks and REITS.

Congratulations!

All of us at IPOPIF would like to congratulate Scott Whalen, managing director and senior consultant with our investment consulting firm Verus, on being honored as a “[Knowledge Broker](#)” by Chief Investment Officer magazine.

Scott has been a trusted advisor and lead consultant to IPOPIF since April 2021. During that time, he has played an instrumental role as we built a new public pension fund from the ground up going from \$0 to \$11.0 billion in assets in three years. We often rely on Scott for his thoughtful counsel as we develop and update our investment policy and asset allocation. He also was extremely helpful at the outset with strategic thinking and project management skills.

With his deep market knowledge, Scott’s investment expertise is notable with broad asset class expertise across traditional and alternative investments. He also is an expert in portfolio construction with a clear understanding of the interaction between investment objectives and risk tolerance. Scott places a strong emphasis on client education and, because of his stellar communication skills, is able to make the most complex topics understandable to lay investors. We very much appreciate Scott’s work on our behalf and are delighted that he was selected for this honor.

On the Road Again

The fifth IPOPIF Regional Stakeholder Meeting is scheduled for 1-5 pm on October 23, 2024, in Rockford at the Hilton Garden Inn, 7675 Walton Street. Attendees will hear presentations from IPOPIF Executive Director Richard White, Chief Investment Officer Kent Custer, and Chief Financial Officer Regina Tuczak. Topics to be covered span the mission and values of IPOPIF to investment policy and performance to financial status of the fund to Article 3 police pension fund reporting and cash management.

Members and beneficiaries of the local Article 3 police pension funds in the Rockford area are invited to attend as are city officials from the surrounding communities. To reserve a seat, please email Samantha Lambert at slambert@ipopif.org.

Among other upcoming presentations:

- IPOPIF Chairperson Philip Suess and Executive Director Richard White are scheduled to serve on a panel at the Illinois Municipal League Annual Conference session in Chicago on September 20, 2024, at the Hyatt Regency Hotel. They will be joined by the chair and executive director of the Illinois Firefighters Investment Fund.
- On September 25, 2024, Mr. White will participate in the Illinois Public Pension Fund Association Mid-America Pension Conference at the Marriot Lincolnshire.

IPOPIF Blotter

We are always on the lookout for photos from members of our 357 Article 3 pension plans that are a part of IPOPIF to include on our [Blue Line Mugshot](#) page. Please send photos in jpeg format to info@ipopif.org.

Monthly investment reports through July 2024 for each of the Article 3 funds are posted to the IPOPIF website [here](#). IPOPIF monthly investment reports are available [here](#).

As the consolidated asset pool that exists for the exclusive purpose of protecting and investing the assets of the pension funds covering police officers serving and protecting all downstate and suburban Illinois municipalities, we want our participants and their beneficiaries to know that they should always feel free to reach out to us at info@ipopif.org.

As noted in previous newsletters and above, key investment information is posted to the IPOPIF website and is reviewed and discussed at the IPOPIF Board meetings which are open to the public and available via Zoom. Check for meeting dates and times [here](#). The link to the Zoom call is included in the [meeting agendas](#) which also are posted on our website. The next regular Board of Trustees meeting is set for Friday, September 13, 2024.

Links to Key Resources

- [Monthly statement overview](#)
- [Monthly financial reports](#)
- [Monthly and quarterly investment reports](#)
- [Meeting Calendar](#)