

Illinois Police Officers' Pension Investment Fund

Report on the Statutory Transition Period

January 1, 2020 – December 31, 2022

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I Introduction

This report details the three-year transition of assets period of January 1, 2020, through December 31, 2022, during which time the Illinois Police Officers' Pension Investment Fund (the Fund) implemented the consolidation of investment assets held locally by the 357 suburban and downstate police pension funds known as the Article 3 participating police pension funds.

The pension code statute defined the rationale and the desired outcomes for the consolidation of these investment assets into a single investment trust fund, but the pathway to accomplish the consolidation was less defined. The consolidation was an ambitious and relatively unique undertaking – at least in recent years, for which there was no road map. The transition required building an organizational infrastructure from scratch, retaining staff and service providers, developing processes, procedures and protocols in real time, communicating with local police pension fund boards, municipal officials, active law enforcement members, retirees and beneficiaries and many other interested parties, while simultaneously undertaking the receiving and managing of billions of dollars in investment fund assets and building the permanent organization that will serve the members, beneficiaries and municipalities once the assets are in place.

Additionally, the COVID-19 pandemic hit the United States within the first few months of 2020 which was right at the beginning of the transition period which resulted in conditions that made an already difficult task even the more challenging to complete.

This report includes many of the activities and achievements accomplished by the Illinois Police Officers' Pension Investment Fund as an entity, although the day-to-day work was undertaken by numerous individuals working diligently directly for the IPOPIF or indirectly through service providers under contract with the IPOPIF.

Overall, the accomplishment that is the creation of the IPOPIF into a fully functional manager of investment assets that originated as a vision of the Illinois Pension Consolidation Feasibility Task Force, that was authorized by the Illinois Legislature and enacted into law by the signature of Governor J.B. Pritzker is an achievement that many inside and outside of government can be proud of. There can be little doubt that the vision for the creation of this organization will ultimately benefit the citizens and taxpayers of the communities that support the local law enforcement members, the retired members and the beneficiaries who will benefit from a stronger and better funded pension system.



II Statutory Authority for Consolidation

The Illinois Police Officers' Pension Investment Fund (IPOPIF) was established on January 1, 2020, subsequent to a new law adopted by the Illinois General Assembly and enacted by Governor Pritzker. The law, Public Act 101-0610, provided for the mandatory consolidation of the investment assets of the state's public safety pension funds into two investment funds one for police officers (ILCS Article 3) and one for firefighters (ILCS Article 4). Furthermore, this law empowered the Fund's Board of Trustees to "manage the reserves, funds, assets, securities, properties and monies" which represents approximately \$10.5 billion in pension assets held in trust for the 357 Article 3 participating police pension funds.

The law stipulates that assets and liabilities of local pension funds will remain under the ownership of each local pension board. However, the pension fund assets are combined for investment purposes only and for the express purpose of eliminating unnecessary and redundant administrative costs, thereby ensuring more money is available to fund pension benefits for the beneficiaries of the Article 3 pension funds.

The investment fund will be governed by an independently elected and autonomous board of trustees and the pension fund assets of the participating pension funds are to be maintained in accounts held outside the state treasury. The Fund's Board of Trustees is charged with the operation and administration of the Fund.

The trustees of the Police Officers' Pension Investment Fund (POPIF) shall:

- A. be fiduciaries for the participants and beneficiaries of the Article 3 participating funds and shall discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries.
- B. take all reasonable steps to ensure that all of the Article 3 pension funds are treated equitably.
- C. ensure that the financial condition of one participating pension fund will have no effect on the financial condition of any other participating pension fund.



III The Consolidation Period

The Pension Code started the transition of assets period as of January 1, 2020, and defined the end of the transition period as of June 30, 2022. IPOPIF provided all funds an opportunity to transfer investment assets by the statutory deadline, but many funds chose not to transfer assets as scheduled due to related litigation. Only 118 funds met the statutory deadline. For valuation and cost purposes, the Board of Trustees approved an amendment to the Valuation and Cost Rule on September 9, 2022, that defined the “Transition Period” as “the period ending on December 31, 2022, or such later date as may be established by law or by the Board”.

At the December 9, 2022, meeting the Board of Trustees declared the completion of the transition of assets period as of December 31, 2022. The Fund continued to receive investment assets from Article 3 participating police pension funds after December 31, 2022, upon request and subject to a mutually agreeable timeframe.

IV Overview of the Transition Process

The following information summarizes the steps, activities and significant achievements undertaken by the Illinois Police Officers’ Pension Investment Fund (IPOPIF) during the transition of assets period. Detailed information on each of these steps, with milestones and achievements, can be found in the following **Section V: Detailed Report on the Transition Process (Page 8)**.

1. Statutory Process

- a. The consolidation process effectively started with the issuance of a Report to Governor JB Pritzker by the Illinois Pension Consolidation Feasibility Task Force on October 10, 2019. The Task Force was formed by Governor Pritzker in February 2019 and was charged with making recommendations for the consolidation of the downstate and suburban police and fire pension funds in order to “achieve the greatest value for employers, retirees, and taxpayers.”
 - . The task force recommended the consolidation of the suburban and downstate police & fire pension plan assets as the “single most impactful step that the State can take to address the underfunding of downstate and suburban police and fire pension plans.”
- b. The Fund was created on December 18, 2019, when Illinois Governor JB Pritzker signed into law Article 22(B) within Chapter 40, Article 5 of the Illinois Compiled Statutes (ILCS).
 - . The law, Public Act 101-0610, effective as of January 1, 2020, provided for the mandatory consolidation of the investment assets of the state’s public safety pension funds into two investment funds one for police officers (ILCS Article 3) and one for firefighters (ILCS Article 4).



2. Board of Trustees.

- a. On January 30, 2020, Governor JB Pritzker appointed the **Transition Board of Trustees** consisting of nine members in accordance with 40 ILCS 5/22B-115. The initial meeting of the Board of Trustees was held on February 24, 2020.
- b. In January 2021, the **Permanent Board of Trustees** was seated with the successful statewide election that was required by the pension code. All eight trustee positions and one appointed position were seated at the same time forming the initial permanent Board of Trustees, in accordance with the pension code.
- c. The Board of Trustees met as a Board fifty-two times during the transition period of 2020 – 2022 which were held primarily as remote meetings in accordance with the Gubernatorial Disaster Proclamation in effect because of the COVID-19 pandemic.
- d. The Transition Board of Trustees received a House of Representatives Resolution that recognized their service in implementing the consolidation legislation.

3. Governance and Oversight of the Fund.

- a. In accordance with the pension code, The Board of Trustees was enabled with the authority to adopt Bylaws, Resolutions, Policy and Procedures, and Administrative Rules for the governance and administration of the Fund.
- b. The Board of Trustees have adopted Bylaws, Resolutions, Rules and Policy and Procedures for the governance and administration of the Fund.

4. Operations and Administration

- a. The Transition and Permanent Board of Trustees retained consultants and service providers to staff various administrative and operational roles and responsibilities for IPOPIF.
- b. The Board started the process of hiring full-time staff that will the responsibility for the day-to-day operations and administration of the Fund. An Interim Executive Director was hired in June 2020 and was the sole Fund employee in 2020.
- c. In May 2021, the Board added a Chief Investment Officer and later in the year added an Administrative Analyst and Investment Officer bringing the number to four full-time staff by the end of calendar year 2021.
- d. In calendar year 2022, the Board added a Finance Director/Assistant Executive Director, an additional Administrative Analyst and an additional Investment Officer. As of the end of this year, the Fund had seven full-time in-house employees.
- e. The Fund's office location was selected to be located at the Twin Towers Plaza in Peoria, Illinois which as a central location in Illinois provided an opportunity for equal access and service to the Fund's membership located throughout the state. Staff moved into temporary office space in October 2021 and the permanent office space was completed in 2022.



5. Budget and Financial Operations

- a. The Interim Board of Trustees adopted the initial annual budget, as required by the Pension Code, for Fiscal Year 2020 in June 2020 in the amount of \$64,467.00.
- b. The Interim Board of Trustees approved the Fiscal Year 2020 annual comprehensive financial report in accordance with the requirement of the Pension Code, in December 2020.
- c. In accordance with the enabling statute, in June 2020, the Illinois Finance Authority approved a Loan Agreement with the Fund allowing the borrowing of up to \$7,500,000 to fund the operational and investment related expenses through the transition period.

6. Investments

- a. On December 17, 2021, the Board of Trustees adopted an Investment Policy Statement that provided for a short-term asset allocation to accommodate the initial transition of investment assets from Participating Pension Funds and the subsequent buildout of diversified strategies.
- b. During 2021, the Board hired the service providers necessary to implement the transfer and investment programs. These include Investment Consultant (Verus), Custody Bank (State Street Bank and Trust), Passive Investment Managers (RhumbLine and State Street Global Advisors), Transition Manager (State Street Global Markets), and Transition Consultant (EY).
- c. The transfer of investment assets from Participating Pension Funds to the Fund's custodian, State Street Bank & Trust Company, began on March 1, 2022, with the process to invest the receiving assets into the short-term asset allocation beginning immediately.

7. Transition of Assets

- a. In Fiscal Year 2022, after significant planning and adoption of formal policies and procedures by the Board, all Article 3 participating pension funds were assigned dates to transfer investment assets to the Fund. Each assigned date was considered a "tranche".
- b. On March 1, 2022, the first transfer of investment assets (Tranche 1) to the Fund began, and as of June 30, 2022, 5 tranches of investment transfers had occurred representing 118 funds and approximately \$2.7 billion of invested assets.
- c. As of December 31, 2022, after 10 tranches of investment asset transfers from 328 participating pension funds, the Board of Trustees confirmed the closing date of the investment asset transition.



V

Detailed Report on the Transition Process for the Time Period of January 1, 2020 Through December 31, 2022

IPOPIF BOARD OF TRUSTEES

Calendar Year 2020

On January 30, 2020, Governor JB Pritzker appointed the **Transition Board of Trustees** consisting of nine members in accordance with 40 ILCS 5/22B-115 as follows:

- Three members representing municipalities who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities.
 - Philip Suess, Mayor of Wheaton
 - Michael Inman, Mayor of McComb
 - Elizabeth Holleb, Finance Director, Lake Forest
- Three members representing participants and who are participants.
 - Shawn Curry, Peoria Police Department
 - Brian Prochaska, Joliet Police Department
 - Andrea DiGiacinto, Libertyville Police Department
- Two members representing beneficiaries and who are beneficiaries.
 - Daniel Hopkins, Collinsville, IL
 - Mark Poulos, Rock Island, IL
- One member who is a representative of the Illinois Municipal League
 - Brad Cole, Carbondale, IL

The Transition Board of Trustees conducted meetings and official business of the Fund in accordance with the Pension Code during calendar year 2020.

Calendar Year 2021

In January 2021, the **Permanent Board of Trustees** was seated after the successful statewide election that was required by the pension code. All eight trustee positions and one appointed position were seated at the same time forming the initial permanent Board of Trustees, in accordance with the pension code.

- Three members representing municipalities who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities.
 - Philip Suess, Mayor of Wheaton
 - Michael Inman, Mayor of Macomb
 - Elizabeth Holleb, Finance Director, Lake Forest



- Three members representing participants and who are participants.
 - Shawn Curry, Peoria Police Department
 - Paul Swanlund, Bloomington Police Department
 - Lee Catavu, Aurora Police Department
- Two members representing beneficiaries and who are beneficiaries.
 - Daniel Hopkins, Collinsville, IL
 - Mark Poulos, Rock Island, IL
- One member who is a representative of the Illinois Municipal League
 - Brad Cole, Carbondale, IL

Calendar Year 2022

During 2022, the **Permanent Board of Trustees** continued to serve their terms of office with all eight elected trustee positions and one appointed position in accordance with the pension code.

- Three members representing municipalities who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities.
 - Philip Suess, Mayor of Wheaton
 - Michael Inman, Mayor of Macomb
 - Elizabeth Holleb, Finance Director, Lake Forest
- Three members representing participants and who are participants.
 - Shawn Curry, Peoria Police Department
 - Paul Swanlund, Bloomington Police Department
 - Lee Catavu, Aurora Police Department
- Two members representing beneficiaries and who are beneficiaries.
 - Daniel Hopkins, Collinsville, IL
 - Mark Poulos, Rock Island, IL
- One member who is a representative of the Illinois Municipal League
 - Brad Cole, Carbondale, IL



Meetings of the IPOPIF Board of Trustees

Calendar Year 2020

The IPOPIF’s Transition Board of Trustees conducted their first meeting on February 24, 2020, in the Training Room at the Peoria Police Department. The Board elected Shawn Curry as Chairperson, Dan Hopkins as Vice-Chairperson, Andrea DiGiacinto as Secretary and Elizabeth Holleb as Treasurer to serve as officers for the Board of Trustees. All meetings of the Board of Trustees were conducted in accordance with the Pension Code and Open Meetings Act. The final meeting as the Transition Board of Trustees was held on December 14, 2020.

Board of Trustees Calendar Year 2020, 17 Meetings	
February 24 (In-person meeting at Peoria)	July 10 (Remote meeting)
March 4 (In-person meeting at Aurora)	August 14 (Remote meeting)
March 13 (In-person meeting at Rock Island)	August 28 (Remote meeting)
April 13 (Remote meeting)	September 11 (Remote meeting)
May 1 (Remote meeting)	October 9 (Remote meeting)
May 8 (Remote meeting)	November 13 (Remote meeting)
May 22 (Remote meeting)	December 2 (Remote meeting)
June 5 (Remote meeting)	December 14 (Remote meeting)
June 19 (Remote meeting)	

Calendar Year 2021

Board of Trustees Calendar Year 2021, 21 Meetings	
January 8 (Remote meeting)	July 9 (Remote meeting)
January 22 (Remote meeting)	July 23 (Remote meeting)
February 12 (Remote meeting)	August 13 (Remote meeting)
February 26 (Remote meeting)	August 27 (Remote meeting)
March 12 (Remote meeting)	September 10 (Remote meeting)
March 26 (Remote meeting)	October 8 (Remote meeting)
April 9 (In-person meeting at Naperville)	October 29 (Remote meeting)
April 23 (Remote meeting)	November 12 (Remote meeting)
May 14 (Remote meeting)	December 17 (Remote meeting)
May 28 (Remote meeting)	
June 11 (Remote meeting)	
June 25 (Remote meeting)	



Calendar Year 2022

Board of Trustees Calendar Year 2022, 14 Meetings	
January 14 (Remote meeting)	July 8 (Remote meeting)
January 28 (Remote meeting)	September 9 (In-person meeting at Peoria)
February 10 (Remote meeting)	October 14 (In-person meeting at Peoria)
February 17 (Remote meeting)	November 10 (Remote meeting)
March 11 (Remote meeting)	December 9 (In-person meeting at Peoria)
April 8 (Remote meeting)	
May 13 (Remote meeting)	
May 26 (Remote meeting)	
June 10 (Remote meeting)	

Committees of the IPOPIF Board of Trustees

Calendar Year 2020

The Board organized committees of the Board with specific responsibilities to assist the Board with the governance of the Fund and these committees met over fifty-nine times during the transition period. Each committee had three members with representation from each of the three membership groups, in accordance with the IPOPIF By Laws.

The Committees appointed were:

- **Audit and Budget Committee:**
 - Overseeing the various audit, financial and budgetary matters and significant related reports on the financial operation of the IPOPIF. The committee name was changed in 2021 from Audit Committee.
- **Contract Committee:**
 - Overseeing the development of contracts for employment and service providers that will be used by the IPOPIF.
- **Election Committee:**
 - Overseeing the election of the members of the Board of Trustees.
- **Governance Committee:**
 - Overseeing the development, review, and amending of Fund governance policies and procedures.
- **Legislative Committee:**
 - Overseeing the ongoing legislative agenda and future legislative proposals of the IPOPIF.



- Litigation Committee:
 - Oversee, review and recommend actions related to specific litigation matters affecting the IPOPIF. The Committee was formed in 2021.

The meetings of the Committees conducted in calendar year 2020 were:

Meetings of the Committees Calendar Year 2020, 17 Committee Meetings			
AUDIT AND BUDGET (7)		CONTRACT (1)	
	September 28	May 13	
	October 16		
	November 2		
	November 10		
	November 18		
	December 2		
	December 14		
ELECTION (7)		LEGISLATIVE (1)	
June 9	July 7		September 8
June 15	July 22		
June 26	August 5		
	August 25		
LITIGATION (0)		GOVERNANCE (1)	
			November 20



Calendar Year 2021

The meetings of the Committees conducted in calendar year 2021 were:

Meetings of the Committees			
Calendar Year 2021, 26 Committee Meetings			
AUDIT AND BUDGET (7)		CONTRACT (4)	
January 29	October 7	March 25	August 26
April 23	November 2	April 28	October 4
May 12	December 7		
June 9			
ELECTION (2)		LEGISLATIVE (5)	
January 22	November 17	January 22	October 7
		March 4	December 7
		April 2	
LITIGATION (2)		GOVERNANCE (6)	
May 28	November 12	January 15	July 7
		March 30	July 16
		April 16	October 22



Calendar Year 2022

The meetings of the Committees conducted in calendar year 2022 were:

Meetings of the Committees			
Calendar Year 2022, 16 Committee Meetings			
AUDIT AND BUDGET (7)		CONTRACT (1)	
January 28	October 14		October 14
March 7	November 30		
March 28			
April 25			
May 23			
ELECTION (2)		LEGISLATIVE (1)	
January 26	September 1		October 14
LITIGATION (4)		GOVERNANCE (1)	
February 10	November 12		October 14
April 8			
May 26			



Election of the IPOPIF Board of Trustees

Calendar Year 2020

The Transition Board of Trustees conducted the nomination of candidates and election of Permanent Board of Trustees members, in accordance with the Pension Code, in preparation for the seating of the Permanent Board of Trustees in January 2021.

The Transition Board of Trustees adopted an initial Election Policy, which was amended during the process, and which established the rules and procedures for the election of the Permanent Board of Trustees.

The Transition Board of Trustees established an Election Committee to oversee the election process and met over 7 times in three months to review and revise the election process. All recommendations of the Committee were approved by the Transition Board of Trustees.

A database of electors that included over 20,000 names of active members, beneficiaries and retirees, and municipalities were created from scratch and supplied to the election services vendor for the mailing of the election ballots.

An election services vendor was identified and retained to provide the necessary steps and processes for the statewide election of the Permanent Board of Trustees.

There were three municipal representative positions up for election and three candidates submitted nomination paperwork for these positions, which were elected by acclamation, in accordance with the Pension Code.

There were two beneficiary representative positions up for election and two candidates submitted nomination paperwork for these positions, which were elected by acclamation, in accordance with the Pension Code.

There were three participant representative positions up for election and six candidates submitted nomination paperwork for these positions. An election by paper ballot was conducted for these seats. Election ballots were mailed to 12,903 eligible participant members of Article 3 police pension funds and a total of 4,771 ballots were received that were tallied, which represented a 36.98% return rate.

The election results of the Permanent Board of Trustees were ratified by the Board of Trustees at the December 14, 2020, meeting with the seating of the Board at the January 8, 2021, meeting.

Calendar Year 2021

The Permanent Board of Trustees were seated on January 8, 2021 and will serve with two or four-year terms of office. An election for the Board was not required in calendar year 2021.

Calendar Year 2022

Four Trustee positions were subject to election in 2022 in accordance with the pension code which mandated that Trustee seats be subject to election on a rotational basis every two years. These seats included one municipal representative, one beneficiary representative, and two participant representatives.

The Board of Trustees received the minimum number of nominations for these seats and in accordance with the Pension Code, the Board of Trustees certified the election and approved the trustees by acclamation at the October 14, 2022, meeting. These Trustees were seated on January 13, 2023, for four-year terms of office that will run through December 2026.



Covid-19 Pandemic

Calendar Year 2020

Coronavirus (COVID-19) is an ongoing pandemic disease that started with the outbreak in Wuhan China in December 2019. The on-going state, national and worldwide response to the COVID-19 pandemic impacted the ability of the transition Board of Trustees to implement the ACT.

On March 9, 2020, Governor JB Pritzker issued a state disaster proclamation regarding the spread of COVID-19. Governor JB Pritzker signed Gubernatorial Disaster Proclamations that extended the Gubernatorial Disaster Proclamation for additional periods through 2020.

Public Act 101-0640 which went into effect on June 12, 2020, included changes to the Open Meetings Act (OMA) that allows public bodies subject to OMA to conduct remote meetings under certain conditions. IPOPIF has met the meeting requirements under the Public Act to be able to meet during the disaster declaration.

Calendar Year 2021

The Covid-19 Pandemic continued throughout the calendar year. Governor JB Pritzker signed Gubernatorial Disaster Proclamations that have extended the Gubernatorial Disaster Proclamation for additional periods through 2021.

IPOPIF has met the meeting requirements under the Public Act to be able to meet during the disaster declaration, which included one meeting held on April 9, 2021, where the Board of Trustees met in-person as a body while otherwise conducting remote meetings.

Calendar Year 2022

The Covid-19 Pandemic continued throughout the calendar year 2022. Governor JB Pritzker signed Gubernatorial Disaster Proclamations that have extended the Gubernatorial Disaster Proclamation for additional periods through 2022.

IPOPIF has met the meeting requirements under the Public Act to be able to meet during the disaster declaration which included changes to the public meeting restrictions that permitted the Board of Trustees to start in-person meetings towards the end of 2022.

The Covid-19 pandemic continued into 2023 and the state of emergency was declared officially ended by Governor Pritzker in May 2023.



Litigation

Calendar Year 2021

The Fund was named as a Defendant in a lawsuit filed with the Circuit Court of Kane County on February 23, 2021, challenging the constitutionality of Public Act 101-0610 that provided for the mandatory consolidation of the investment assets of the state's public safety pension funds into two investment funds one for police officers (ILCS Article 3) and one for firefighters (ILCS Article 4). The legal case (Arlington Heights Police Pension Fund v. Pritzker, et al) was not resolved during the calendar year, although many legal procedures were conducted by the Circuit Court in this matter.

Calendar Year 2022

On May 25, 2022, the Circuit Court of Kane County issued a written Order granting Defendant's Motion for Summary Judgement and denying Plaintiff's Cross-Motion for Summary Judgement.

On June 1, 2022, the plaintiffs filed an Appeal to the Second District Appellate Court from the Circuit Court contending that the trial court erred in granting summary judgement in favor of the Defendants. Additional legal proceedings took place during this calendar year, with the matter continuing, without resolution, into the following year beyond the transition of assets period.

Governance And Oversight Of The Fund

In accordance with the pension code, The Board of Trustees was enabled with the authority to adopt Bylaws, Resolutions, Policy and Procedures, and Administrative Rules for the governance and administration of the Fund. The Board of Trustees have adopted Bylaws, Resolutions, Rules and Policy and Procedures for the governance and administration of the Fund, as explained in the following paragraphs.

By-Laws

The Board of Trustees adopted By Laws on June 19, 2020. The By Laws define the scope of the fiduciary responsibilities and ethical standards of the Board, provided for the election of officers of the Board of Trustees, defined the Committees and membership of these committees, provided for uniform procedures for conducting meetings, and procedures for running the day-to-day business of the fund. The By Laws were amended by the Board of Trustees during the course of the transition period with all amendments to the By Laws approved with an affirmative vote of a minimum of six trustees to be adopted.

Policy and Procedures

The Board of Trustees adopted revised By-Laws, passed Resolutions and approved and revised numerous governance policies that define the scope of their fiduciary responsibilities, describe the roles and responsibilities of the Board, each committee and define the organizational operating procedures and job descriptions.



Calendar Year 2020

The Board of Trustees adopted thirteen governing policy and procedures designated to define the roles and responsibilities of the Fund:

- Board of Trustee Policy and Procedure
- Executive Director Job Description
- Election Policy and Procedure
- Accounts Payable Policy and Procedure
- Chief Financial Officer Job Description
- Electronic Attendance Policy
- Ethics Policy
- Legislative Policy
- Audit and Budget Committee Policy
- Municipal Reimbursement Policy
- Purchasing Policy
- Chief Investment Officer Job Description
- Governance Committee Policy

Calendar Year 2021

The Board of Trustees adopted nine new governing policy and procedures designated to define the roles and responsibilities of the Fund:

- Budget Administration Policy
- Investment Officer Job Description
- Investment Analyst Job Description
- Administrative Analyst Job Description
- Executive Assistant Job Description
- Finance Director/ Assistant Executive Director Job Description
- Procurement of Investment Services Policy
- Investment Policy Statement
- Cash Reserve Policy



Calendar Year 2022

The Board of Trustees adopted two new governing policy and procedures designated to define the roles and responsibilities of the Fund:

Cash Management Policy

Contract Committee Policy

Resolutions

Calendar Year 2020

The Board of Trustees adopted thirteen governing Resolutions authorizing various procedures for the Fund, including the adoption of the annual budget, approving the borrowing of funds, indemnification of members among other matters necessary for the operation and administration of the Fund.

Calendar Year 2021

The Board of Trustees adopted five governing Resolutions authorizing various procedures for the Fund, including the adoption of the annual budget, approving the borrowing of funds, indemnification of members among other matters necessary for the operation and administration of the Fund.

Calendar Year 2022

The Board of Trustees adopted five governing Resolutions authorizing various procedures for the Fund, including the adoption of the annual budget, approving the borrowing of funds, indemnification of members among other matters necessary for the operation and administration of the Fund.



Administrative Rules

Calendar Year 2021

The Board of Trustees adopted two administrative rules in calendar year 2021 that defined processes and procedures for the transition of assets from the Article 3 participating pension funds to the IPOPIF:

Transfer of Assets Rule: Definition of the transition schedule, notice of transfer date, certified investment asset lists, obligations of pension funds, transfer of assets and receipt of transfer, and other matters associated with the transition of assets.

Appointment of Authorized Agent Rule: Each Pension Fund, by a resolution of its Board of Trustees, shall appoint one or more Authorized Agent(s), who shall have the powers and duties set forth in this Rule. A sample resolution acceptable to the Illinois Police Officers' Pension Investment Fund (IPOPIF) was provided. The Pension Fund may change its Authorized Agent(s) at any time upon written notice to the IPOPIF supported by a resolution of its Board of Trustees appointing a different individual(s).

Calendar Year 2022

The Board of Trustees adopted one administrative rule which provided guidance on the calculation and allocation of certain accounting procedures with respect to the transition of assets process:

Valuation and Cost Rule: The rule defined the calculation of Net Asset Value (NAV), costs and extraordinary costs, and the allocation of income, costs, and the IFA loan repayments to ensure that each Article 3 participating police pension fund was treated equitably with expenses of the IPOPIF.

Indemnification

Calendar Year 2020

The Transition Board of Trustees adopted a Resolution 2020-010 on February 24, 2020, which provided for the indemnification of Members of the Board of Trustees and Officers, Advisors, and Employees of the IPOPIF, as authorized in Section 5/22-118(f) of the Illinois Pension Code and in a manner consistent with Sections 1-107 and 1-108 of the Illinois Pension Code.

Calendar Year 2021

The Permanent Board of Trustees amended Resolution 2020-010 on May 28, 2021, with such changes to be effective retroactive to February 24, 2020. This Resolution provided for the indemnification of Members of the Board of Trustees and Officers, Advisors, and Employees of the IPOPIF, as authorized in Section 5/22-118(f) of the Illinois Pension Code and in a manner consistent with Sections 1-107 and 1-108 of the Illinois Pension Code.



Insurance Coverage

Calendar Year 2020

On July 10, 2020, the Transition Board of Trustees approved the retention of a commercial insurance broker to provide consultation and brokerage services for fiduciary, cyber security, workers compensation, indemnification and directors and officers insurance policies beginning in Fiscal Year 2020, with revisions and renewals for each fiscal year.

Business insurance coverages secured include: (a) Fiduciary Liability, (b) Directors and Officers Liability, (c) Employment Practices Liability, (c) Crime/Fidelity Bonding, (d) Cyber Enterprise Risk Management, (e) Business Owners Policy, and (e) Workers' Compensation coverage.

The commercial insurance broker reviewed the insurance coverages for the Fund on an on-going basis to provide for the increasing growth of the Fund throughout the transition period.

Calendar Year 2021

The Commercial Insurance Broker reviewed all significant changes in coverage, terms, and conditions to the proposed insurance policy renewals with the Board of Trustees in June 2021. The Board approved the renewals which provided for increased coverages and limits of liability to meet the increasing growth and responsibilities of the Fund.

Calendar Year 2022

The Commercial Insurance Broker reviewed all significant changes in coverage, terms, and conditions to the proposed insurance policy renewals with the Board of Trustees in June 2022. The Board approved the renewals which provided for increased coverages and limits of liability to meet the increasing growth and responsibilities of the Fund.



Operations and Administration

Communication

Calendar Year 2020

The IPOPIF participated in several presentations and outreach to stakeholders during this period:

- An update on the activities and achievements of the consolidation and transition was presented to the Office of the Governor in September 2020.
- The IPOPIF Chairperson and Executive Director made a presentation to IPPFA Conference about the Fund and consolidation in September 2020.
- The Executive Director presented on the Pension Consolidation to the Illinois Public Sector Labor Relations Law Conference in December 2020.
- The Executive Director joined a panel for a discussion about pension reform and trends to the IFEPB Public Employee Benefit Institute in December 2020
- The IPOPIF Chairperson and Executive Director testified to the Senate Special Committee on Pension Investment in December 2020.

Written communications and articles were provided to statewide organizations and the media describing the Fund and the consolidation process.

Calendar Year 2021

The Board of Trustees retained a dedicated service provider to develop and maintain a website for the Fund, in January 2021. The IPOPIF website (www.ipopif.org) contained many items of interest all intended to provide the stakeholders, participating police pension funds, municipalities, participants, beneficiaries, media, investment industry professionals and other interested parties with transparency and accountability. The Website was continuously updated and contained contact information for the Fund, Executive Team and general information and has been viewed over 2,000 times per month.



The website's information included:

- **ABOUT**

- Welcome
- Board of Trustees & Our Team (Photo and short biographical sketch)
- Service Providers
- IPOPIF Board of Trustee & Staff Directory

- **ACTUARIAL REPORTS**

- Actuarial Experience Study
 - The IPOPIF completed an actuarial experience study which analyzed the assumptions used for actuarial valuation purposes beginning on and after July 2022. The report includes a review of demographic and economic experience, a comparison of this experience to current actuarial assumptions and recommendations for consideration regarding changes in assumptions or methods to be effective for actuarial valuations performed on or after July 1, 2022.
- Actuarial Valuation Reports
 - The IPOPIF is responsible for completing an annual actuarial valuation report for each of the 357 Article 3 participating police pension funds that calculates the statutory minimum required contribution. These reports are provided individually to each fund and posted to the IPOPIF website.
 - A User's Guide to the Actuarial Valuation Reports was available.

- **FOIA**

- Freedom of Information Act requests and information.

- **GOVERNING DOCUMENTS**

- Administrative Rules
- Bylaws
- Job descriptions
- Loan Agreement
- Policies

Trustee Election

Information about the Board of Trustee election procedures and processes.



Meetings

- Board of Trustee meeting calendar
- Board of Trustee and Committee meeting minutes (approved)
- Board of Trustee meeting summary
- Board of Trustee and Committee meeting agenda (Board of Trustee meeting agendas are posted, and agenda materials being considered are posted in advance of the Board of Trustee meeting for review by interested parties).
- Regional Stakeholder Meeting information.

Reports

- Annual Comprehensive Financial Reports for each fiscal year.
- Article 3 Fund Reports: Monthly investment performance reports and detail of account activity for each of the Article 3 participating police pension funds are provided individually to each fund and posted to the IPOPIF website.
- Budget for each fiscal year.
- Audit of the Transition of Investment Assets: Statutorily required audit of the transition of assets process by an independent Certified Public Accountant.
- Monthly Financial Reports: monthly financial reports for the IPOPIF (unaudited)
- Legislative Updates
- Public Act 97-0609 Disclosure: Compensation Report

Resources

- Communication
- FAQs
- Links
- Press Releases
- Publications



RPFs & Recruitments

Investment Reports

- Investment Policy Statement
- IPOPIF Illinois Economic Opportunity Reports: Annual Disclosure
- IPOPIF MWDBE Report: Annual Disclosure
- Investment Service Providers
- IPOPIF Capital Market Assumptions
- Investment Performance Review – Verus Investment Consultant Quarterly Report
- Investment Performance Reports: IPOPIF monthly performance reports
- IPOPIF Investment Updates: Monthly reports provided to the Board of Trustees by the Chief Investment Officer

Blue Line Mugshots

Calendar Year 2022

Presentations conducted by Executive Director to the Illinois Public Pension Fund Association (IPPPFA), Illinois Professional Firefighters Association (IPFA), Illinois Municipal Treasurers' Association (IMTA), and Article 3 participating police pension funds (Schaumburg and Rockford).

In addition to communications with Article 3 participating police pension funds related to the election of trustees and the transition of assets, regular communications with these funds, articles regarding the Fund have been written for regular membership publications for the four statewide law enforcement union organizations, the Illinois Government Finance Officers Association, the Illinois Municipal League.

The Fund has been quoted in numerous financial, investment and regular print media publications.

The Fund created a newsletter which has been published on a regular basis beginning in July 2022.



Governmental Liaison

Calendar Year 2020

The Board of Trustees retained the services of a professional governmental liaison firm to assist the Fund with current and potential legislative matters, as well as, to assist with the interaction and communication with the Illinois Legislature and Office of the Governor.

Calendar Year 2021

The Board of Trustees monitored legislative activities and provided guidance on certain legislative matters with a specific focus to ensure their fiduciary responsibilities to the members and beneficiaries were met.

Chairperson Shaun Curry and the Interim Executive Director made a presentation at the hearing chaired the Senate Assistant Republican Leader Chapin Rose.

Calendar Year 2022

The Board of Trustees monitored legislative activities and provided guidance on certain legislative matters with a specific focus to ensure their fiduciary responsibilities to the members and beneficiaries were met.



Human Resources

Calendar Year 2020

The Transition Board of Trustees hired Mr. Richard A. White, Jr. as the Interim Executive Director of the IPOPIF on June 5, 2020. Mr. White served as the sole full-time employee of the Fund during the remainder of the calendar year.

Calendar Year 2021

The Board of Trustees retained the services of a Human Resources firm to provide needed support and resources for the development of the administrative organization for the transition of asset process and future growth of the Fund. Significant accomplishments included:

- Adopted Job Descriptions and Salary Surveys for full-time positions.
- Adopted Employee Handbook
- Adopted Employee Benefits that included medical, dental, vision, life insurance, disability and retirement plans.
- Approved membership in IMRF for employees to have a Defined Benefit Plan
- Coordinated with HR consultant for the recruitment, hiring process, and on-boarding.

In May 2021, the Board added a Chief Investment Officer and later in the year added an Administrative Analyst and Investment Officer bringing the number to four full-time staff in calendar year 2021.

Calendar Year 2022

The IPOPIF grew in-house staffing resources throughout the year with the addition of an Investment Officer, a Finance Director/Assistant Executive Director, and an Administrative Analyst, bringing the total number of full-time staff to seven team members.



Office of the IPOPIF

Calendar Year 2020

The initial office of the IPOPIF was established as a temporary space inside the offices of one of the Fund's service providers located in the Chicagoland area. This arrangement permitted the Fund to establish a physical office location while relying on the service provider for basic administrative and office related duties.

Calendar Year 2021

The Board of Trustees approved the location of the administrative office after a rigorous market rate analysis, independent appraisal of property, and careful consideration of operational needs.

The Fund's office location was selected to be located at the Twin Towers Plaza in Peoria, Illinois which as a central location in Illinois provided an opportunity for equal access and service to the Fund's membership located throughout the state. Staff moved into temporary office space in October 2021 and the permanent office space was completed in 2022.



Financial, Accounting, and Actuarial

Actuarial Services

Calendar Year 2021

The Board of Trustees retrained the firm of Foster & Foster as the Actuary in December 2021. The actuarial and related consulting services include (a) review of the IPOPIF approved asset allocation; (b) recommendation on the reasonableness of the IPOPIF's actuarial assumptions, (c) preparation of annual actuarial valuations for each Participating Police Pension Fund to determine the statutory required minimum employer (municipal) contribution for each Participating Police Pension Fund.

Calendar Year 2022

The Board of Trustees adopted various actuarial assumptions to be used in the preparation of the actuarial valuation reports. Chief amongst the assumptions was the adoption of 6.8% as the actuarial assumed rate of return, in September 2022.

The IPOPIF began the preparation of the annual actuarial valuation reports at the start of the Fiscal Year 2023 (July 1, 2022).



Annual Comprehensive Financial Report (ACFR)

Fiscal Year 2020

The Interim Board of Trustees approved an RFP for audit services and retained a firm following the review of candidate firms. The Interim Board of Trustees appointed an Audit Committee which was tasked with the oversight of the audit process and met 7 times over the course of four months to oversee the preparation of the annual audit report.

The Interim Board of Trustees approved the Fiscal Year 2020 annual comprehensive financial report in accordance with the requirement of the Pension Code, in December 2020.

The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB). Information is presented for all audited time periods commencing with January 1, 2020, when the Fund was established by legislative act of the Illinois General Assembly through the end of the fiscal year on June 30, 2020.

As of the date of the report, June 30, 2020, the Fund had yet to receive assets from any of the local Article 3 participating police pension funds and the only other statutorily provided source of funding for the administration and operations of the Fund was through the Illinois Finance Authority loan agreement. Due to the fact that the only source of funds at the close of the fiscal year was debt related, there were no additions to report. Additionally, all of the Fund's expenditures were related to the required Board member elections process as well as the operations of the Fund in order to establish policies and procedures for the permanent Board, once seated in January 2021.

Fiscal Year 2021

The Annual Comprehensive Financial Report in accordance with 40 ILCS 5/22B-125 for Fiscal Year 2021 was completed as required and received an unmodified opinion. As of the date of the report, June 30, 2021, the Fund had yet to receive assets from any of the local Article 3 participating police pension funds and the only other statutorily provided source of funding for the administration and operations of the Fund was through the Illinois Finance Authority loan agreement. The only addition was interest from the operating and money market accounts at the Fund's local bank accounts.

The Fund's expenditures were related to personnel and the service providers that assisted in the administration and operations of the Fund. Additional expenditures related to setting up the infrastructure to run an external investment pool including the hiring of an investment consultant and project architect.

Fiscal Year 2022

The Annual Comprehensive Financial Report in accordance with 40 ILCS 5/22B-125 was completed for Fiscal Year 2022, and the Fund received an unmodified opinion from the Fund's Independent Certified Public Accounting Firms for this period.

As of the date of this report, June 30, 2022, the Fund had received asset transfers from 119 Article 3 participating police pension funds, which represented approximately \$2,867.2 million in assets. During FY 2022, a date of transfer was assigned to each Participating Police Fund, with the first assigned transfer of investment assets commencing on March 1, 2022.



In addition to the investment transfers, the only other statutorily provided source of funding for the administration and operations of the Fund was from the Illinois Finance Authority loan. Receivables as of June 30, 2022, consisted of \$3.3 million of interest and dividend income earned but not yet paid, and \$16.5 million of investment securities sold but not yet settled. These receivables were a direct result of the investment activity of the Fund commencing in March 2022.

As of June 30, 2022, the Fund had employed 4 full-time staff and engaged various professional service firms and investment managers to assist with the administration operations of the Fund, the orderly transition of investment assets from Participating Pension Funds to the Fund, and the related investment of assets into the Fund's short-term asset allocation. Accounts payable and accrued payroll of \$1.4 million as of June 30, 2022, represent expenses incurred associated with these services that had not yet been paid.

Fiscal Year 2023 (includes July 1, 2022 to December 31, 2022)

The Annual Comprehensive Financial Report for Fiscal Year 2023, which consists of the time period of July 1, 2022, to June 30, 2023, was completed in accordance with 40 ILCS 5/22B-125 and received an unmodified opinion, dated December 15, 2023, from the Independent Certified Public Accounting Firm for this time period.

The Management, Discussion and Analysis (unaudited) of the report indicates that as of December 31, 2022, 328 ILCS Article 3 Funds had transferred their investment assets to the Fund, with investment transfers that totaled approximately \$8.56 billion.

Banking

Banking Services were established with Lake Forest Bank & Trust (Wintrust) in June of 2020 with the initial payment of payroll and vendor payments occurring in August of 2020.

Collateralization agreements with the Lake Forest Bank & Trust were established to ensure that the account balances held outside of the Fund's custodian in excess of the FDIC deposit limits were insured.



Budget

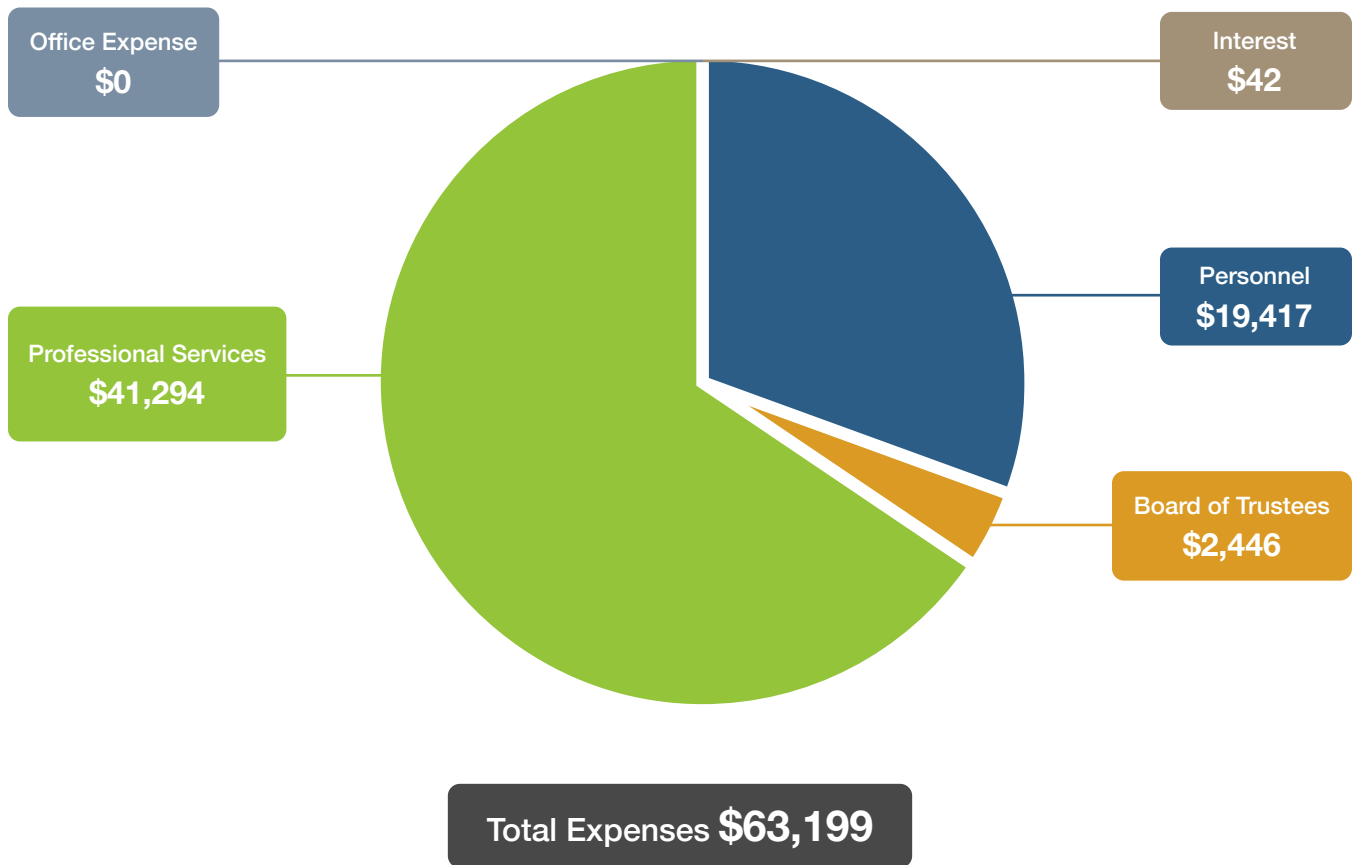
Fiscal Year 2020

The Fiscal Year of the IPOPIF begins on July 1 and ends on June 30 of the following year, in accordance with the statute.

The Transition Board of Trustees adopted the Fiscal Year 2020 Budget (January 2020 – June 2020) and the Fiscal Year 2021 Budget (July 2020— June 2021) on June 19, 2020.

Fiscal Year 2020 reports are for the period of January 1 through June 30, 2020, for the period that the Fund was in operation.

FY 2020 Expenses



Expenses of the Fund for the six months ended June 30, 2020, were:

Personnel	\$ 19,417
Board of Trustees	\$ 2,446
Professional Services	\$ 41,294
Interest	\$ 42
Total Expenses	\$ 63,199

The Fund had not received any local Fund investments and the only assets held by the Fund, as of June 30, 2020, were that of the IFA loan distribution in the amount of \$200,000.

Fiscal Year 2021

The original adopted and final adopted budgets of the Board of Trustees for Fiscal Year 2021 were \$912,804 and \$1,256,475, respectively, in anticipated expenditures. These totals include all expenses, including investment related expenses.

The Fund had yet to request or receive any asset transfers from any local Fund, therefore, all the expenses incurred during the fiscal period ended June 30, 2021, were exclusively funded by the IFA’s loan distributions.

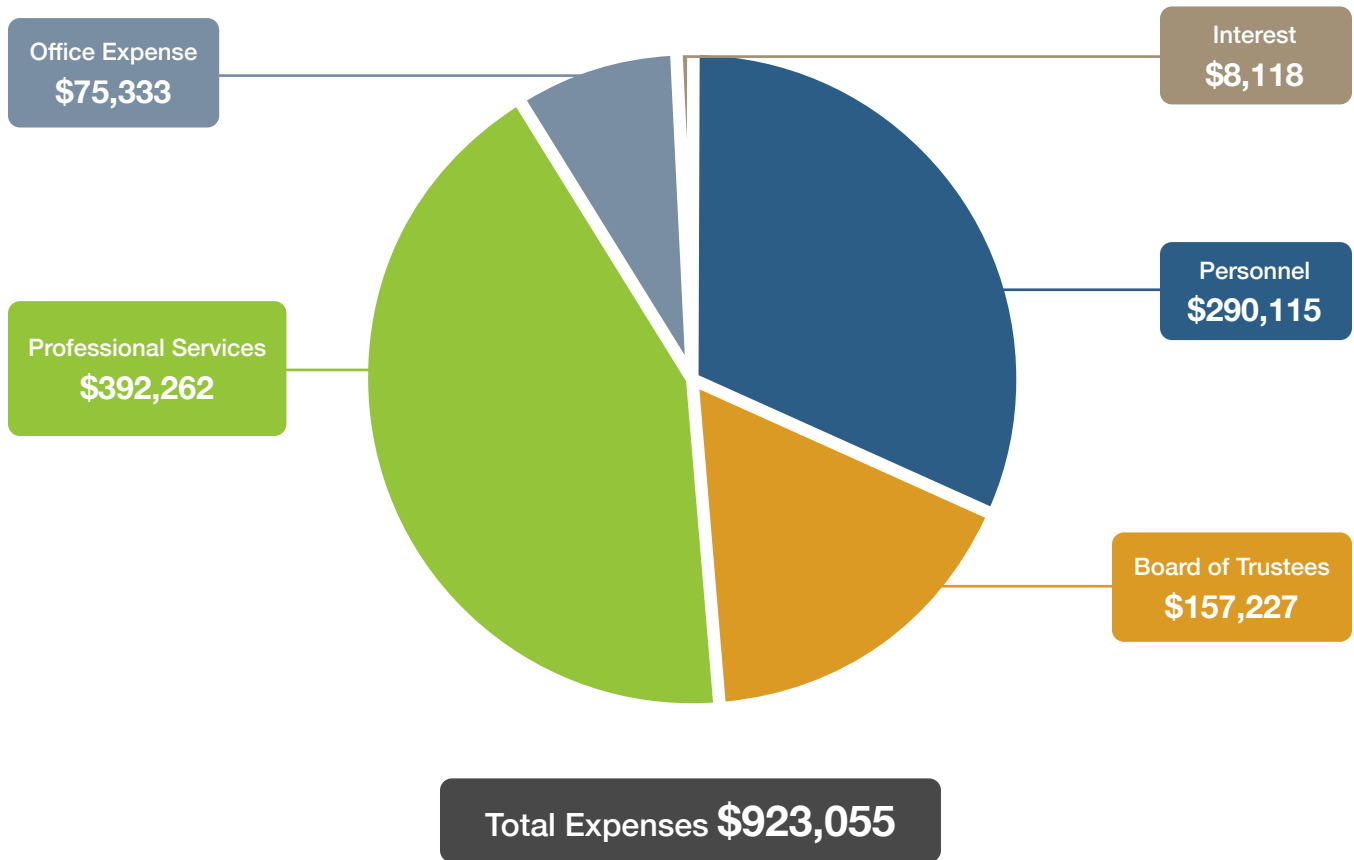
Additionally, the only other statutorily provided source of funding for the administration and operations of the Fund was the Illinois Finance Authority loan agreement, which provides for up to \$7,500,000 of loan distributions. Due to the fact that the only source of funds at this time was debt related, the only addition was interest from the operating and money market accounts at Lake Forest Bank & Trust.

During the fiscal period ended June 30, 2021, the Fund hired a Chief Investment Officer and continued to engage multiple service providers to aid in the administration of the Fund.

The Fund’s expenditures this year were related to setting up the infrastructure to run an external investment pool including hiring of an investment consultant and project architect. A small amount of interest expense was reported due to the capitalized interest on the loan funds received from the IFA. The Fund received monthly reports from the IFA reporting capitalized interest accrued for the month and through the life of the loan. The Fund began to repay this loan once sufficient assets were received from the local funds.



FY 2021 Expenses



Expenses of the Fund (excluding investment related expenses) for the twelve months ended June 30, 2021 were:

Board of Trustees	\$157,227
Investment Operations	\$ 58,050
Administrative Operations	\$707,778
Total Expenses	\$923,055

Consistent with generally accepted accounting principles, investment-related expenses are presented as a reduction of investment performance income (loss) and consist of investment consultant fees of \$139,188 in Fiscal Year 2021. Beginning in Fiscal Year 2021, all other administrative expenses are presented in three categories consisting of Board of Trustees Expense, Investment Operations Expense and Administrative Operations Expense.

Fiscal Year 2022

The original budget adopted by the Board of Trustees on June 25, 2021, for Fiscal Year 2022 was \$4,759,178 in anticipated expenditures. The final budget adopted by the Board of Trustees on April 8, 2022, for Fiscal Year 2022 was \$4,395,413.

As of June 30, 2022, the Fund had received assets from 119 Participating Pension Funds representing \$2,867.2 million of transferred investment assets. Investment performance results for the year ending June 30, 2022, consist exclusively of investment activity commencing on March 1, 2022, when the first transfer of Participating Pension Fund investment assets occurred. Such investment income (loss) included the performance of assets received from Participating Pension Funds awaiting transfer to the transition pool for liquidation, and assets invested in the Fund's target asset allocation.

During this period, the Fund earned \$4.1 million of interest and dividend income and experienced net depreciation of investment assets of (\$131.4) million. The Fund had a rate of return, net of investment fees paid but not accrued, of -10.1%. Consistent with the Fund's policy benchmarks, nearly all asset classes held by the Fund experienced losses, reflective of financial market conditions during this time period. The Fund's overall performance during this time period was consistent with its policy benchmark of -10.0% and outperformed its broad benchmark of -13.2%.

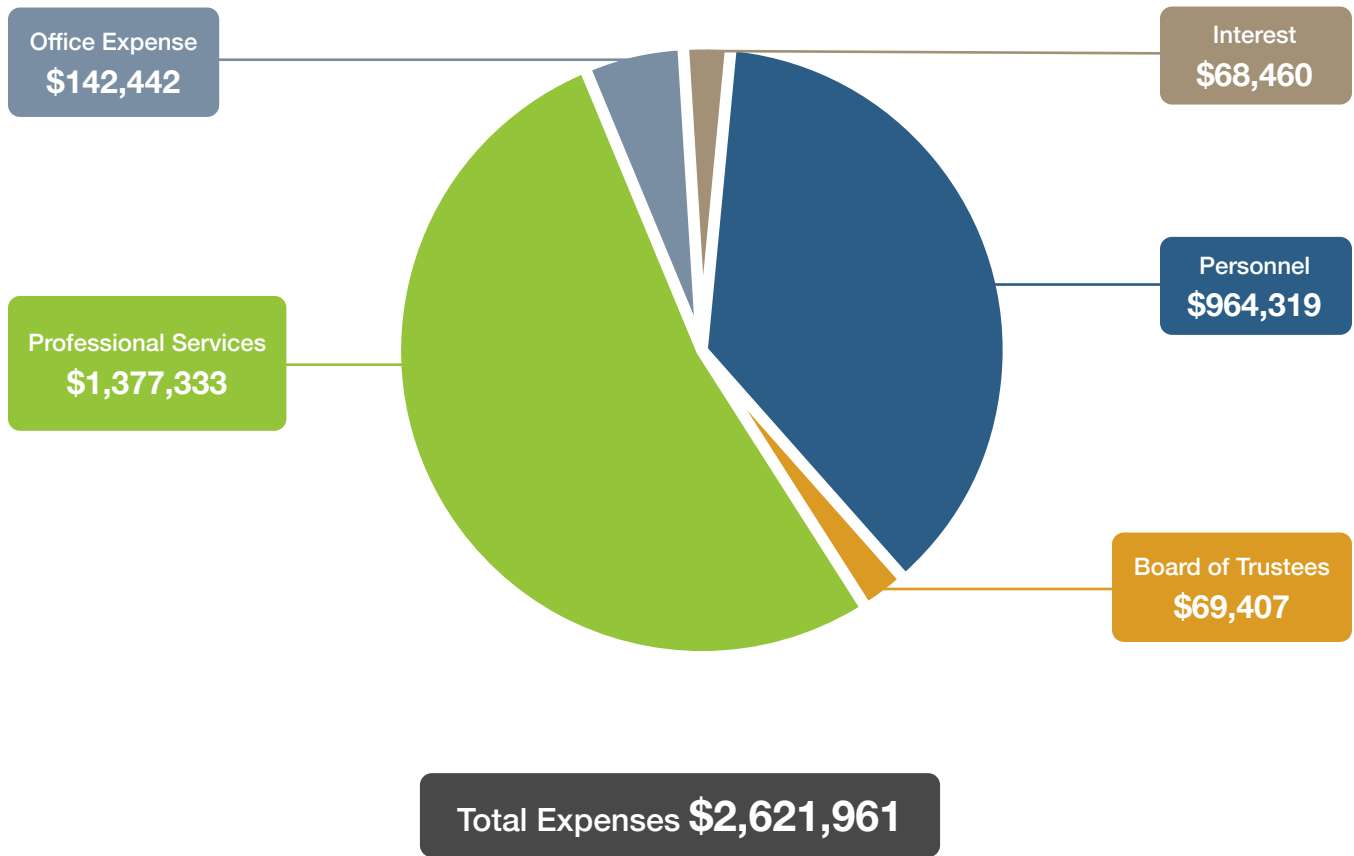
The Fund's expenses this year were related to establishing the infrastructure to administer an external investment pool and commence the transfer of investment assets from Article 3 Pension Funds, as required by the Illinois Pension Code 40 ILCS/5 Article 22(B). During the fiscal period ended June 30, 2022, administrative expenses increased by approximately \$1.6 million from \$0.9 million for the year ending June 30, 2021, to \$2.5 million for the year ending June 30, 2022. The Fund hired an additional Investment Officer and an Administrative Manager and engaged multiple service providers to aid in the administration of the Fund, the transfer of investment assets to the Fund, and the custody and investment management of Fund assets. Service providers engaged in the fiscal year include the Fund's custodian, three investment managers, a transition architect and consultant, independent accountants to certify investments received, and a transition investment manager.

Investment-related expenses are presented as a reduction of investment performance income (loss) and include custodian expenses, investment manager expenses, investment consultant fees, and bank charges, and total \$1,375,257 in Fiscal Year 2022. All other administrative expenses are presented in three categories consisting of Board of Trustees Expense, Investment Operations Expense and Administrative Operations Expense, which were \$0.07 million, \$1.07 million, and \$1.41 million, for the year ending June 30, 2022, respectively.



The Fund’s total administrative expenses for the audited period ending June 30, 2022, are presented below:

FY 2022 Expenses



Expenses of the Fund (excluding investment related expenses) for the twelve months ended June 30, 2022, were:

Board of Trustees	\$ 69,407
Investment Operations	\$1,053,805
Administrative Operations	\$1,498,749
Total Expenses	\$2,621,961



Fiscal Year 2023 (includes July 1, 2022 to December 31, 2022)

On June 10, 2022, the Board of Trustees adopted the Fiscal Year 2023 budget which represented the period of July 1, 2022, to June 30, 2023. Projected budgeted expenses were \$7,914,093 and reflected utilization of service providers to complete the transfer of investment assets from Article 3 Pension Funds by the end of December 31, 2022. There were 6 scheduled tranches of investment transfers between July 1, 2022, and December 31, 2022, with significantly higher market values of expected investment transfers in these final six months of calendar year 2022, which was reflected in the budgeted expenses.

Cash Management

Prior to 2022, the IPOPIF worked with the Fund's custodian to develop a process through which Article 3 participant pension funds that had transferred investment assets could authorize the movement of cash funds to or from the IPOPIF custodial account with State Street Bank & Trust Company in support of each fund's local cash administration. Many issues were considered in the development of the process and procedures including security, accessibility, requirements for access, user functionality, verification of user identification and banking information for withdrawals, accounting for transactions specific to each Article 3 fund, and oversight by IPOPIF staff to approve or reject cash withdrawal requests to ensure the condition of one participating police pension does not have a negative effect on the financial condition of any other participating pension fund. In collaboration with the custodial bank, a cash management portal was established for use by all Article 3 participant pension funds which is accessible through the custodian's website. The cash management portal provides a number of industry standard security features through user entitlements, dual approval, encryption protocols, and user authentication requirements, including but not limited to multi-factor authentication. Each transaction requested through the portal requires dual entry in which one user inputs a transaction and another distinct user is required to approve the transaction.

Calendar Year 2022

The Board of Trustees adopted a Cash Management Policy on January 14, 2022, that provides for cash flow planning, procedures for utilization of the cash management portal, guidelines for cash contributions and withdrawals, and establishes IPOPIF monitoring and oversight. A cash access form was developed that requires banking information for withdrawals, user information for access, and user access authority as view only, initiator or approver. Controls were also established requiring signature on the cash access form by an authorized agent of the Article 3 participant pension fund approved by local Board Resolution.

To ensure appropriate segregation of incoming cash contributions by each Article 3 participant pension fund, each fund was assigned a unique account number required for cash contributions to the IPOPIF.

On February 25, 2022, the IPOPIF sent a memorandum to each Article 3 participant pension fund that requested completion of the cash access form and provided information regarding the cash management portal and account access. A central email address cashinstructions@ipopif.org, was established for submission of all related documents by each Article 3 participant pension fund.

A verification process was established to ensure that information on each cash access form was confirmed via telephone call to an authorized agent of the Article 3 participant pension fund independent of the signatory of the form. The verification process was conducted by the office of the Chief Financial Officer (CFO) and his team.



Subsequent to verification by the CFO, IPOPIF established a secure information exchange with the custodial bank, who was responsible for the set-up of each user, including providing instructions to each user on how to install an electronic security token required for access to the portal. Instruction sheets were also provided on how to access the cash management system and transfer cash.

While each Article 3 participant pension fund established access to the cash management portal, the IPOPIF administered cash withdrawal requests and cash contributions of participant funds through manual letters of direction with the custodian to ensure that each fund received any cash needed to fund benefits and expenses and was also able to send available cash to the IPOPIF as applicable.

The first cash transaction through the cash management portal at State Street Bank & Trust Company occurred on July 18, 2022. As of December 31, 2022, the cash management system with State Street Bank & Trust Company had approximately 500 users and over 140 transactions occurring through the portal, representing over \$85,000,000 in cash contributions and withdrawals subsequent to transfer of investment assets.

Monthly Financial Reports

Calendar Year 2020

The Fund began publishing monthly financial reports on a modified cash basis beginning in December of 2020. These unaudited monthly financial statements were provided to the Board of Trustees for review and approval and were then posted on the Fund's website. The first monthly report as of December 31, 2020, detailed assets of \$157,627.39 and liabilities of \$200,042.47 for a net liability restricted position of (\$42,415.08). Expenses detailed by general ledger account as of December 31, 2020, for the month and fiscal year-to-date, are presented and compared to budgeted amounts for comparable time periods.

Calendar Year 2021

The Fund prepared monthly financial reports on a modified cash basis for each of the twelve months in 2021, which were reviewed and approved by the Board of Trustees, and then posted on the Fund's website. The unaudited monthly financial report as of December 31, 2021, detailed assets of \$2,048,910.71 and liabilities of \$1,412,097.18 for a net asset restricted position of \$636,813.53. Expenses detailed by general ledger account as of December 31, 2021, for the month and fiscal year-to-date are presented and compared to budgeted amounts for comparable time periods.



Calendar Year 2022

The Fund prepared monthly financial reports on a modified cash basis for each of the twelve months in 2022, which were reviewed and approved by the Board of Trustees, and then posted on the Fund's website. The unaudited monthly financial report as of December 31, 2022, detailed assets of \$8,440,282,513 and liabilities of \$7,424,397 for a net asset restricted position of \$8,432,858,116. Expenses detailed by general ledger account as of December 31, 2022, for the month and fiscal year-to-date are presented and compared to budgeted amounts for comparable time periods.

Service Providers

Calendar Year 2020

The Transition Board of Trustees retained consultants and service providers to staff various administrative and operational roles and responsibilities for the IPOPIF. The Board hired an Interim Executive Director in June 2020 and numerous service providers were added to the Fund in 2020 to assist with the development and implementation of transition.

The Board of Trustees retained the services of numerous professional service providers to perform various functions and tasks necessary to support the operations and administration of the Fund during the start-up and beyond. The Board has continued the review and retention of services providers on a continuous basis which has included the discontinuation of services, when necessary, the reduction of services when appropriate and the continuation of services as required for the operation of the Fund.



The IPOPIF retained numerous external service firms to provide specific tasks, services and support to the Fund during the transition period:

External Service Providers • 2020 - 2022	
Administration	
Cook Castle Associates, LLC	Commercial Insurance Brokerage Services
Shepherd Consulting	Communication Specialist
Pulchalski Goodloe Marzullo LLP	Conflict Legal Counsel
Survey & Ballot Systems	Election Provider Services
Assured Partners Employee Benefits Corporation TransAmerica	Employee Benefits
Reimer, Dobrovolny & LaBardi PC	General Legal Counsel
Vision MAI	Governmental Liaison Services
Levi, Ray & Shoup, Inc. Pension Technology Group	Information Technology Services
Foster & Foster, Inc.	Plan Administrative Services
Finance	
Lauterbach & Amen LLP	Accounting and Payroll Chief Financial Officer Human Resource Services
Foster & Foster, Inc.	Actuarial Services
Wintrust (Lake Forest Bank & Trust)	Banking Account and Services
Baker, Tilly US, LLP Sikich, LLP	Certified Public Accountant Firm Services (Annual Comprehensive Fin'l Report)
Investments	
Adirondack Investment Advisors, LLC	Project Architect
Jacobs, Burns, Orlove & Hernandez, LLP	Fiduciary Legal Counsel
Verus Advisory, Inc.	Investment Consulting
Ernst & Young, LLP	Asset Transition Services
Baker Tilly US LLP Kerber, Eck & Braeckel LLP Sikich LLP	Certified Investment Asset List (CPA)
State Street Bank & Trust	Investment Custodian
Principal Life Insurance Company Rhumblin Advisors Limited Partnership State Street Global Advisors	Investment Management Services



Investments

Calendar Year 2020

The Fund was established by legislative act of the Illinois General Assembly, P.A. 101-610, which was effective on January 1, 2020. The Fund is defined as an investment trust fund and an external investment pool. The Fund is not a component unit of any other government. As cited in 40 ILCS 5/22B-101 of the Illinois Pension Code, the Fund is created with authority to manage the reserves, funds, assets, securities, properties, and moneys of the police pension funds created pursuant to Article 3 of the Illinois Pension Code.

In accordance with the statute, the transition period of the transfer of assets commenced on the effective date of the Act and is to be completed no later than June 30, 2022.

The IPOPIF has the statutory authority to invest and manage the pension fund assets without any of the limitations applicable to the individual participating police pension funds and will have the ability to invest the funds in accordance with policies established by the Permanent Board of Trustees. (40 ILCS 5/22B-121, 122).

The Fund did not receive any transfer of assets from the Article 3 Participating Police Pension Funds during calendar year 2020.

Calendar Year 2021

On December 17, 2021, the Board of Trustees adopted an Investment Policy Statement that formalizes the Fund's investment objectives, philosophy, policies, and structure, and defines the roles and responsibilities of various entities involved in the investment process.

Investment Objectives

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.

The Fund had not received any local Fund investments through December 31, 2021.



Calendar Year 2022

On December 17, 2021, the Board of Trustees adopted an Investment Policy Statement that provided for a short-term asset allocation to accommodate the initial transition of investment assets from Participating Pension Funds and the subsequent buildout of diversified strategies.

As investment assets from Participating Pension Funds were transferred to the Fund's custodian, State Street Bank & Trust Company, on March 1, the process to invest the receiving assets into the short-term asset allocation began immediately. The short-term asset allocation was invested in approximately \$2,654.4 million of dedicated asset classes of growth, income, inflation protection, and risk mitigation securities as of June 30, 2022. This allocation includes approximately \$65.7 million of cash equivalents to appropriately provide for the liquidity needs of the Participating Pension Funds.



Investment Portfolio Summary

Asset Allocation as of December 31, 2022

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Growth	4,022	49.5%	4,062	50.0%	(41)	- 0.5%
Rhumblin US Large	1,420	17.5%	1,462	18.0%	(43)	- 0.5%
Rhumblin US Small	386	4.7%	406	5.0%	(20)	- 0.3%
SSGA Non-Us Developed	1,228	15.1%	1,219	15.0%	9	0.1%
SSGA Non-Us Developed SC	410	5.0%	406	5.0%	3	0.0%
SSGA Em Equity	579	7.1%	569	7.0%	10	0.1%
Income	1,314	16.2%	1,300	16.0%	14	0.2%
SSGA High Yield	814	10.0%	812	10.0%	2	0.0%
SSGA EM Debt	499	6.1%	487	6.0%	12	0.1%
Inflation Protection	721	8.9%	731	9.0%	(11)	- 0.1%
SSGA Tips	244	3.0%	244	3.0%	0	0.0%
SSGA REITS	299	3.7%	325	4.0%	(26)	- 0.3%
Principal US Property	178	2.2%	162	2.0%	15	0.2%
Risk Mitigation	2,069	25.5%	2,031	25.0%	38	0.5%
IPOPIF Cash	267	3.3%	244	3.0%	24	0.3%
SSGA ST GOV-Credit	1,228	15.1%	1,219	15.0%	9	0.1%
SSGA CORE Bonds	573	7.1%	569	7.0%	5	0.1%
Total Investment Pool	8,125	100.0%	8,125	100.0%	-	0.0%
Transition Pool	281					
Participant Fund Accounts	34					
Grand Total	8,439					



Investment Performance

Investment Performance as of December 31, 2022

	2Q22	3Q22	4Q22	4/22 – 12/22
IPOPIF Pool	-10.4%	-4.8%	+6.8%	-9.0%
Policy Benchmark	-10.4%	-5.0%	+6.6%	-9.3%
Broad Benchmark	-13.6%	-6.6%	+8.4%	-12.6%

- IPOPIF Performance is net of fees.
- Policy Benchmark — Weighted average of asset class benchmarks; gauges success of implementation (currently less stock exposure than the broad benchmark)
- Broad Benchmark — 70/30 global stocks/bonds; gauges success of asset allocation.

As of June 30, 2022, the Fund had received assets from 119 Participating Pension Funds representing \$2,867.2 million of transferred investment assets. Investment performance results for the year ending June 30, 2022, consist exclusively of investment activity commencing on March 1, 2022, when the first transfer of Participating Pension Fund investment assets occurred.

Such investment income (loss) includes the performance of assets received from Participating Pension Funds awaiting transfer to the transition pool for liquidation, and assets invested in the Fund's target asset allocation. During this period, the Fund earned \$4.1 million of interest and dividend income and experienced net depreciation of investment assets of (\$131.4) million. The Fund had a rate of return, gross of investment fees, of -9.2%.

Consistent with the Fund's policy benchmarks, nearly all asset classes held by the Fund experienced losses, reflective of financial market conditions during this time period. The Fund's overall performance during this time period outperformed its policy index of -10.0% and its broad benchmark of -13.1%.



VI Illinois Finance Authority – Loan Agreement

In accordance with the enabling statute, in June 2020, the Illinois Finance Authority approved a Loan Agreement with the Fund allowing the borrowing of up to \$7,500,000 to fund the operational and investment related expenses through the transition period. The Loan agreement was executed by the Interim Executive Director on June 26, 2020.

The Fund was authorized to borrow up to \$7,500,000 until the Final Draw date of June 30, 2022. The loan agreement included an interest rate calculated at the federal funds rate plus 150 basis points (1.50%).

The Fund drew all of the available funds from the loan during the loan disbursement period which ended in June 2022.

After the loan disbursement period, the Fund was to pay consecutive quarterly installments of principal and interest at an interest rate of 1.50% plus the Federal Funds Rate. As of June 30, 2022, the loan had a principal balance outstanding of \$7,503,635 including \$79,635 of capitalized interest, and the interest rate was 3.08%. The Board of Trustees approved three scheduled payments of the loan and ultimately approved the pre-payment of the loan balance in April 2023.

VII Trust Fund Assets Transition Report

In fiscal year 2022, after significant planning and adoption of formal policies and procedures by the Board, all Article 3 participating pension funds were assigned dates to transfer investment assets to the Fund. Each assigned date was considered a “tranche”. On March 1, 2022, the first transfer of investment assets (Tranche 1) to the Fund began, and as of June 30, 2022, 5 tranches of investment transfers had occurred representing approximately \$2.7 billion of invested assets. As of December 31, 2022, after 10 tranches of investment asset transfers from participating pension funds, the Board of Trustees confirmed the closing date of the investment asset transition.

In anticipation of the transfer of investment assets, the Board adopted an Investment Policy Statement on December 17, 2021, that outlines the Fund’s investment objectives, philosophy, policies, and structure. A short-term asset allocation was developed and was employed as of June 30, 2022. More information on the Fund’s investment policy is detailed in the Investment Section of this report.

The Board also performed comprehensive procurement procedures to select a master custodian, and three investment managers. Procurement procedures included issuance of requests for proposals, thorough evaluation of responses, consideration of staff and investment consultant recommendations, finalist interviews and thoughtful deliberation. State Street Bank & Trust Company was selected as master custodian and State Street Global Advisors Trust Company, Rhumblin Advisors Limited Partnership, and Principal Life Insurance Company were selected as investment managers. The master custodian and investment managers are all fiduciaries with respect to the Fund.



The Board of Trustees declared the transition of assets period closed as of December 31, 2022.

Transition of Assets — Schedule and Progress		
2022		
TRANCHE	PENSION FUNDS	ASSETS TRANSFERRED \$ Millions
MARCH	14	220
APRIL	18	458
MAY	14	354
JUNE (1)	27	770
JUNE (2)	45	1,271
AUGUST	36	1,463
SEPTEMBER	63	1,922
OCTOBER	54	990
NOVEMBER	35	376
DECEMBER	22	738

2023		
TRANCHE	PENSION FUNDS	ASSETS TRANSFERRED \$ Millions
MAY	4	35
AUGUST	1	11

Transition of Assets SUMMARY, AS OF AUGUST 2023		
TRANCHES	PENSION FUNDS	ASSETS TRANSFERRED
13* (February 2023 tranche used for assets received since December)	333 of 357	\$ 9,905,000,000

Transition of Assets PENDING TRANSFER OF FUNDS		
Non-Compliant Funds	9 Funds	\$ 6,300,000*
Litigant Funds	15 Funds	\$ 1,233,000,000*

* Estimated based on information from the Illinois Department of Insurance



Investment Performance by Transition Tranche

Individual Member Fund Returns

Tranche	Scheduled Transfer Date	High	Low	Median	Benchmark Return
1	1-Mar	-8.2%	-8.9%	-8.5%	-8.8%
2	1-Apr	-8.4%	-9.6%	-8.8%	-9.3%
3	3-May	-1.6%	-5.6%	-3.5%	-4.5%
4	1-Jun	-1.3%	-5.7%	-4.5%	-4.6%
5	24-Jun	4.6%	0.5%	1.7%	1.2%
6	1-Aug	-1.4%	-4.2%	-3.4%	-2.9%
7	1-Sep	12.5%	-2.8%	-0.6%	-0.6%
8	3-Oct	9.2%	4.0%	6.9%	6.6%
9	1-Nov	3.7%	0.9%	2.9%	3.8%
10	1-Dec	-0.8%	-6.5%	-2.9%	-1.9%

Transition Management Review

Asset portfolio transitions were very successful with \$8.7 Billion transferred through February 2023.

- Implementation Shortfall amounted to \$2.8 million which represented the amount that the transition portfolio lagged the investment target portfolio.
- Transition Commissions were paid in the amount of \$1.5 million. These commissions were capped at this amount under the transition custody agreement.
- Total cost of the transition was \$4.3 million or 4.9 basis points (bps) (0.049%) versus the weighted average estimate of 8.0 bps.

Table Representing the Assets that Transferred 'In Kind' from the Article 3 participating police pension fund into the Consolidated Police Pension Trust Fund. (Dollars in Millions)

Asset Type	Market Value	In-Kind Value	In-Kind %
Mutual Funds	\$4,189	0	0%
ETFs	559	0	0%
Stocks	579	374	65%
Bonds	2,969	482	16%
Dollars in Millions			



Transition Audit

As per the pension code, the Fund completed an agreed upon procedures report related to the procedures defined in 40 ILCS 5/22B-120 at the end of the transition period. The agreed upon procedures were completed by an Independent Certified Public Accountant Firm and were completed in accordance with professional standards. The report did not find any exceptions or issues.

VIII Transition Report Conclusion

This report on the transition of assets encompasses the complex and ambitious journey which the newly established Illinois Police Officers' Pension Investment Fund (IPOPf) took since the inception of the Fund through the conclusion of the transition of assets period to consolidate the investment fund assets of the downstate and suburban Article 3 participating pension funds into a single investment trust fund managed by the IPOPf.

Additional information can be obtained on the IPOPf website (www.ipopif.org).

IX Post-Transition Supplemental Information Report

Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report of the Illinois Police Officers' Pension Investment Fund (the Fund) as of and for the years ended June 30, 2023, and 2022 was completed by the Fund and is available for reviewing on the Fund's website. The information contained in the report is intended to provide a detailed overview of the Fund's financial and investment results for the fiscal years ended June 30, 2023, and 2022 and was prepared in accordance with 40 ILCS 5/22B-125, which requires that at least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board.

Sikich, LLP, Independent Certified Public Accountants, has issued an unmodified opinion on the Fund's financial statements, for the fiscal periods ended June 30, 2023, and 2022. The Independent Auditors' Report is located at the front of the Financial Section of the report.



Administration of the Fund

The Board of Trustees approved a staffing level of thirteen full-time positions at the April 14, 2023, meeting, which includes eight administrative positions and five investment positions. As of June 30, 2023, the Fund had seven full time employees, with several additional full-time staff hired shortly after the conclusion of fiscal year 2023.

Budget

The Board of Trustees approves the Fund's annual budget, following the statutory requirements. The Board of Trustees adopted the budget for Fiscal Year 2023 on June 10, 2022, in the amount of \$7,914,093; and adopted a revised budget on April 14, 2023, in the amount of \$6,793,609. The reduction in budgeted expenses reflects the Board's diligence and staff's dedication to operate the Fund in an efficient manner, while effectively completing the process of receiving and investing the assets from the Article 3 police pension funds in the fiscal year.

Cash Management

The cash management system administered through the portal with IPOPIF's custodian, State Street Bank & Trust, is utilized daily by Article 3 participant pension funds to administer their local cash needs to withdraw cash to pay benefits and expenses and deposit cash contributions to the IPOPIF.

Cash may be contributed to the IPOPIF on any day the custodian is open for business, and funds received by the custodian will be invested on the same day if feasible or on the next business day. IPOPIF expects funds received prior to 10:00 AM CT will be invested on the same day.

Withdrawals are input by each Article 3 participant pension fund as needed for local benefits and expenses. Multiple transactions can be entered by a participant fund up to 13 months in advance. The IPOPIF provides an email address of cashinstructions@ipopif.org to which all Article 3 participant pension funds can submit questions or request assistance navigating the cash management process or portal.

Many Article 3 participant pension funds request a withdrawal through the portal at least once per month and/or send cash to the custodial account, which is also administered through the cash management portal. As of February 29, 2024, there were 889 distinct users with approved access to the cash management portal. From March 1, 2022, through February 29, 2024, there were approximately 4,700 transactions through the cash management portal by the Article 3 participant pension funds.

The IPOPIF continues to work with representatives of the Article 3 participant funds to provide assistance with cash management needs and also seeks input on innovative ways to enhance cash management processes and tools.



Election of the Board of Trustees

As provided for in the statute, the Board of Trustees is charged with administering the election for the permanent trustees. (40 ILCS 5/22B-116). Pursuant to the Pension Code, the Board of Trustees approved on June 9, 2023, that a special election take place to fill the vacant active member trustee seat which was vacant due to the resignation of a trustee in May 2023.

Election ballots were mailed to 9,333 active members of the Article 3 police pension funds for which elector names were provided on October 3, 2023. The election date was October 31, 2023. A total of 2,021 ballots were returned for tabulation, which represented a 21.65% return rate.

Scott Bowers, Peoria Police Department was elected to fill the vacant active member trustee seat. Trustee Bowers was seated in December 2023 and will serve the remainder of the term of office which is December 2024.

Investments

For the year ended June 30, 2023, with positive economic market momentum in 2023, the Fund's investment portfolio earned a money-weighted rate of return of 8.9%. Information about the Fund's investments, fiscal year 2023 performance, and market conditions can be found in the Investment Section of the ACFR.

In fiscal year 2023, there were 213 Article 3 police pension funds that transferred investment assets to the Fund with market values of approximately \$5,725 million. As of June 30, 2023, 332 Article 3 participating police funds had fully completed asset transfers to the IPOPIF trust fund which total \$9,175 million.

Subsequent to the receipt and reconciliation of the investment assets from each police pension fund, the assets were invested in accordance with the asset allocation as described in the Investment Policy Statement.



Asset Allocation, as of June 30, 2023

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Growth	4,924	52.5%	5,445	58.0%	(521)	- 5.5%
RHUMBLINE US LARGE*	1,880	20.0%	2,159	23.0%	(279)	- 3.0%
RHUMBLINE US SMALL	451	4.8%	469	5.0%	(18)	- 0.2%
SSGA NON-US DEVELOPED*	1,501	16.0%	1,690	18.0%	(188)	- 2.0%
SSGA NON-US DEVELOPED SC	450	4.8%	469	5.0%	(20)	- 0.2%
SSGA EM EQUITY	641	6.8%	657	7.0%	(16)	- 0.2%
Income	1,472	15.7%	1,502	16.0%	(30)	- 0.3%
SSGA HIGH YIELD	920	9.8%	939	10.0%	(19)	- 0.2%
SSGA EM DEBT 553	553	5.9%	563	6.0%	(10)	-0.1%
Inflation Protection	801	8.5%	845	9.0%	(44)	- 0.5%
SSGA TIPS	272	2.9%	282	3.0%	(10)	- 0.1%
SSGA REITS	356	3.8%	375	4.0%	(19)	- 0.2%
PRINCIPAL US PROPERTY	173	1.8%	188	2.0%	(15)	- 0.2%
Risk Mitigation	2,190	23.3%	1,596	17.0%	594	6.3%
IPOPIF CASH*	288	3.1%	94	1.0%	195	2.1%
SSGA ST GOV-CREDIT*	1,356	14.4%	1,220	13.0%	136	1.4%
SSGA CORE BONDS*	545	5.8%	282	3.0%	264	2.8%
IPOPIF POOL FI TRANSITION	0	0.0%	-	0.0%	0	0.0%
Total Investment Pool	9,387	100.0%	9,387	100.0%	-	0.0%
Transition Pool	-					
Participant Fund Accounts	-					
Grand Total	9,387					

* New allocations approved in April 2023 will be gradually implemented at CIO discretion.

Investment Rate of Return

For the year ended June 30, 2023, the Fund's investments returned 8.9%, net of fees paid but not accrued, using daily cash flows and dollar-weighted calculation methodology.

For the year ended June 30, 2022, the Fund's investments returned -10.1%, net of fees paid but not accrued, using daily cash flows and dollar-weighted calculation methodology. This return presents the inception to date return for the Fund beginning with the transition of the first investment assets from Article 3 Funds on March 1, 2022, to the fiscal year end of June 30, 2022.



During the fiscal year ending June 30, 2023, the Fund’s investment portfolio earned \$62.0 million of interest and dividend income and \$580 million of net appreciation of investment assets. The challenging market environment of fiscal year 2022 continued into the early months of fiscal year 2023, however, market conditions improved at the end of calendar year 2022, with strong economic growth. Momentum continued into the first six months of 2023, with inflation gradually declining, a strong labor market and the first rate pause from the Federal Reserve.

The market recovery was felt across the Fund’s investment portfolio with all allocations experiencing positive returns in the last six months of the fiscal year. The Fund had a net money weighted rate of return of 8.9% in fiscal year 2023, which was consistent with its policy benchmark of 8.8%, but underperformed its broad benchmark of 11.0%, which reflected a higher equity exposure than the Fund’s investment allocation.

Investment Return as of June 30, 2023

	1Q23	2Q23	FY23	4/22 – 6/23
IPOPIF Pool	+4.3%	+2.7%	+8.8%	-2.0%
Policy Benchmark	+4.3%	+3.1%	+8.8%	-2.0%
Broad Benchmark	+5.8%	+3.7%	+11.0%	-3.4%

- IPOPIF Performance is net of fees.
- Policy Benchmark – Weighted average of asset class benchmarks; gauges success of implementation (currently less stock exposure than the broad benchmark)
- Broad Benchmark – 70/30 global stocks/bonds; gauges success of asset allocation.
- Returns for periods longer than one year are annualized.

Loan Agreement

In June 2020, the Illinois Finance Authority approved a Loan Agreement with the Fund allowing the borrowing of up to \$7,500,000 to fund the operational and investment related expenses through the transition period. The Board of Trustees approved the pre-payment of the loan and interest which was accomplished with a final payment on April 3, 2023.

Litigation




On January 19, 2024, the Illinois Supreme Court issued the opinion in the litigation matter (Arlington Heights Police Pension Fund v. Pritzker 2024 IL 129471). The Court affirmed the lower court decisions granting summary judgment in Defendant’s favor and against Plaintiffs.

Strategic Plan

The Board of Trustees adopted a Strategic Plan for the period of 2024-2026 and the plan outlines the vision, mission, core values, strategic goals and objectives of IPOPIF.



IPOPIF Vision, Mission and Core Values

 <p>Vision:</p>	 <p>Mission:</p>	 <p>Core Values:</p>
<p>To be a high performing and trusted provider of institutional investment services to our members, beneficiaries, employers, and taxpayers.</p>	<p>Build and maintain the long - term stability of the investment fund to enable our partners to meet financial obligations and fund pension benefits for participants and beneficiaries.</p>	<ul style="list-style-type: none">• Accountability• Stewardship• Excellence• Trust• Respect

IPOPIF Strategic Goals

• INVESTMENT

- Generate net returns that exceed the assumed actuarial rate of return

• GOVERNANCE

- Ensure good governance by implementing best practices for accountability and transparency





• MANAGEMENT

- Effectively and efficiently administer the funds to achieve desired results

• STAKEHOLDER RELATIONS

- Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.

IPOPIF Strategic Objectives

 INVESTMENT	 GOVERNANCE	 MANAGEMENT	 STAKEHOLDER RELATIONS
<ul style="list-style-type: none"> • Review and revise the asset allocation and Investment Policy Statement • Develop investment plans for private market asset classes • Conduct investment manager searches • Develop compliance monitoring and reporting framework • Expand investment communications • Resolve non-transferable assets 	<ul style="list-style-type: none"> • Good governance policy and procedures • Enhance effectiveness of the Board and Organization 	<ul style="list-style-type: none"> • Determine desired outputs and services of finance and accounting • Develop, design, and document internal controls, policies and procedures to support outputs and services pertaining to finance and accounting operations • Evaluate current resources and long-term needs to support outputs and services of the finance and accounting operations • Implement the information technology roadmap to align technology with best practices and team resources to achieve organizational goals • Complete the human resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements 	<ul style="list-style-type: none"> • Effectively provide information to participating pension funds, participants and beneficiaries, municipalities, and other stakeholders

Transition of Assets Process

On February 9, 2024, the Board of Trustees approved the transfer of assets from the Late Transferring Police Pension Funds, including the Plaintiff Funds in the litigation matter, on or prior to December 31, 2024, with a targeted transfer date of October 1, 2024.

Article 3 Participating Police Funds by County



END OF REPORT ON THE STATUTORY TRANSITION PERIOD

Please visit the [IPOPIF website](#) for additional information.



**Illinois Police Officers'
Pension Investment Fund**

Report date: April 12, 2024