

All agenda items are informational only and pending review and formal action by the IPOPIF Board of Trustees



# Illinois Police Officers' Pension Investment Fund

## Board of Trustees Regular Meeting- September 13, 2024

Notice is hereby given that the Board of Trustees of the Illinois Police Officers' Pension Investment Fund will conduct a regular meeting on Friday, September 13, 2024, at 9:00 AM at the Pere Marquette Hotel, 501 Main Street, Peoria, IL 61602.

The meeting will be live streamed on the Zoom video conferencing platform. By entering the meeting, participants agree to be audio and video recorded.

Join Zoom Meeting via Video:  
Video: [www.zoom.us](http://www.zoom.us)  
Meeting ID: 845 7961 3532  
Passcode: 582073

Join Zoom Meeting via Dial-In:  
Dial In: (312) 626-6799  
Meeting ID: 845 7961 3532  
Passcode: 582073

September 13, 2024 09:00 AM Central Time (US and Canada)

### Agenda Topic

1. Call to Order (9:00 AM)
2. Roll Call
  - 2.1 Roll Call: Discussion and Potential Action
3. Board of Trustees
  - 3.1 Board of Trustees Election: Discussion and Potential Action
    - 3.1.1 Declare election complete and certify the election results (Section 22B-116(d)(2))
  - 3.2 Board of Trustees Meeting Minutes - July 19, 2024: Discussion and Potential Action
  - 3.3 Committee Meeting Minutes: Discussion and Potential Action
    - 3.3.1 Governance Committee Meeting Minutes - September 14 2023
    - 3.3.2 Contract Committee Meeting Minutes - February 9 2024

3.3.3 Audit and Budget Committee Meeting Minutes -February 9 2024!

3.3.4 Legislative Committee Meeting Minutes-September 14 2023!

3.3.5 Election Committee Meeting Minutes -March 20 2023

4. Investments

4.1 Investment Update Report: Discussion and Potential Action

4.2 Real Estate/Principal US Property Manager Review: Discussion and Potential Action

4.3 Emerging Markets Debt (EMO) Manager Interviews and Selection: Discussion and Potential Action

4.4 Private Markets Investment Implementation Planning: Discussion and Potential Action

4.5 Private Markets Consultant Search Request: Discussion and Potential Action

4.6 Special Investment Principles: Discussion and Potential Action

4.7 Procurement of Investment Services Policy: Discussion and Potential Action

4.8 Verus Quarterly Report - 2Q 2024: Discussion and Potential Action

5. Lunch Break

6. Administration and Operations

6.1 Employee Handbook: Discussion and Potential Action

6.2 Records Management Policy: Discussion and Potential Action

6.3 Governmental Liaison Report: Discussion and Potential Action

6.4 Administration and Operations Update: Discussion and Potential Action

7. Finance

7.1 Monthly Financial Reports: Discussion and Potential Action

7.1.1 Monthly Financial Statement - May 2024

7.1.2 Monthly Financial Statement - June 2024

7.1.3 Monthly Financial Statement - July 2024

7.2 Warrants: Discussion and Potential Action

7.2.1 Warrant# 2025-01

- 7.2.2 Warrant# 2025-02
- 7.2.3 Warrant# 2025-03
- 7.3 GFOA Certificate of Achievement for Excellence in Financial Reporting: Discussion and Potential Action
- 7.4 Cost and Valuation Rule: Discussion and Potential Action
- 7.5 Finance and Accounting Update: Discussion and Potential Action
- 8. General Legal Counsel
  - 8.1 General Legal Counsel Report: Discussion and Potential Action
- 9. Fiduciary Legal Counsel
  - 9.1 Fiduciary Legal Counsel Report: Discussion and Potential Action
- 10. Public Comment
- 11. Closed Session (if necessary)
  - 11.1 Closed Session Minutes-Semi-Annual Review: Discussion and Potential Action (5 ILCS 120/2(c)(21).
  - 11.2 Closed/Executive Session - Appointment, employment, compensation, discipline, performance, or dismissal of Executive Director and Chief Investment Officer (5 ILCS 120/2(c)(1).
- 12. Adjournment



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: AGENDA ITEM: ROLL CALL

DATE: SEPTEMBER 13, 2024

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**RECOMMENDATION:** Motion to allow Board of Trustee(s) \_\_\_\_\_ to participate in the September 13, 2024, meeting of the Board of Trustees by audio, video, or internet conferencing.

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### **§209 Remote Attendance**

- a) Upon a majority vote of Trustees present at a meeting, a Trustee who is not physically present may participate in a meeting by audio, video, or internet conferencing, provided the Trustee is prevented from physically attending due to: (1) personal illness or disability; (2) employment purposes or Fund business; (3) a family or other emergency, or (4) unexpected childcare obligations. A Trustee who wishes to attend by telephone, video or internet conferencing must notify the Board Secretary and the Executive Director at least 24 hours prior to the meeting, unless advance notice is impractical. A Trustee who is allowed to participate by telephone, video or internet conferencing shall not be considered present for purposes of a quorum but shall be considered in attendance for all other purposes and allowed to vote on matters brought before the Board.

In accordance with Board rules and the Open Meetings Act, the Board of Trustees will discuss and take necessary action to allow remote participation if members of the Board will not be physically present for the meeting. A quorum of six members of the Board is required to be present in the Board meeting room to comply with the Open Meetings Act.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: 2024 BOARD OF TRUSTEE ELECTION – CERTIFY THE RESULTS

DATE: SEPTEMBER 13, 2024

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### RECOMMENDED ACTION:

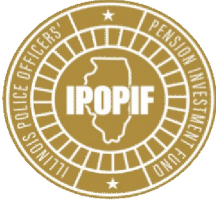
Declare the election of candidates for the Board of Trustees completed and certify the election of the following candidates to the Board of Trustees for the term of January 2025 through December 2028:

- i. **MUNICIPAL MEMBER TRUSTEE (2 SEATS)**
  - Michael J. Inman, Mayor of the City of Macomb
  - Debra Nawrocki, Chief Financial Officer, City of Elgin
  
- ii. **BENEFICIARY MEMBER TRUSTEE (1 SEAT)**
  - Mark Poulos, Retired Lieutenant, City of Rock Island
  
- iii. **ACTIVE MEMBER TRUSTEE (1 SEAT)**
  - Scott Bowers, Police Officer, City of Peoria

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### **A. INTRODUCTION**

As provided for in the statute, the Board of Trustees shall administer the election for the permanent Board of Trustees. (40 ILCS 5/22B-116). The trustees seated in this election will serve a four-year term of office beginning in January 2025 through December 2028.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### **B. NOMINATION OF CANDIDATES FOR ELECTION OF TRUSTEES**

The Board of Trustees, in accordance with the pension code and Fund policy, at the June 14, 2024, meeting, opened the election process. The first step in the trustee election process was the nomination of candidates which opened on June 17, 2024, and closed on July 31, 2024.

All nomination petitions complied with the pension code (40 ILCS5/22B-116) and were verified by the Executive Director in accordance with the Election Policy. The following candidates were declared as qualified for the trustee election:

#### **iv. MUNICIPAL MEMBER TRUSTEE (2 SEATS)**

- Michael J. Inman, Mayor of the City of Macomb *[Incumbent]*
- Debra Nawrocki, Chief Financial Officer, City of Elgin

#### **v. BENEFICIARY MEMBER TRUSTEE (1 SEAT)**

- Mark Poulos, Retired Lieutenant, City of Rock Island *[Incumbent]*

#### **vi. ACTIVE MEMBER TRUSTEE (1 SEAT)**

- Scott Bowers, Police Officer, City of Peoria *[Incumbent]*

After the qualification of candidates, the Election Policy provided for a period where the candidate petitions are available for review and a period where the candidate nomination(s) could be challenged. There were no requests to review the candidate petitions and no challenges to the nomination process were received by the deadline of August 8, 2024.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### **C. CERTIFY THE ELECTION OF BOARD OF TRUSTEES**

Section 22B-116(d)(2) provides that “[i]f only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.”

Because the nomination process qualified the minimum number of candidates for each trustee seat, the Board of Trustees has the authority to declare the election of candidates completed and to certify the election of these trustees. The Board of Trustees action to certify the election will complete and close the trustee election process for this election cycle.

### **D. SEATING OF THE TRUSTEES**

The seating of the trustees will occur on January 17, 2025, at the regular meeting of the Board of Trustees (date subject to Board approval).



## **Illinois Police Officers' Pension Investment Fund**

### **Board of Trustees Meeting Minutes**

**Friday, July 19, 2024**

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was conducted at the Peoria Marriott Hotel, Pere Marquette, Marquette Salon B, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Board of Trustees:**

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu, Secretary
- Mark Poulos
- Scott Bowers
- Brad Cole
- Elizabeth Holleb
- Daniel Hopkins
- Michael Inman

#### **Attendees:**

#### **IPOPIF Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Greg Turk, Deputy Chief Investment Officer
- Barbara Meyer, Investment Officer
- Steve Yoon, Investment Officer
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst



- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

**Others Present:**

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Scott Whalen, Verus
- Tim McEnery, Verus
- Samantha Grant, Verus
- Greg Kiesewetter, Cook Castle Associates, LLC
- Megan Holford, Lauterbach & Amen (Zoom)
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

**Agenda**

All members of the Board of Trustees, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

**Call to Order**

The meeting was called to order by Chairperson Suess at 9:00 A.M.

**Roll Call**

**2.1- Roll Call: Discussion and Potential Action:**

A roll call was conducted. Eight (8) Trustees were present. One (1) Trustee was absent. A quorum was established with the required number of six (6) Trustees present in the meeting room.

Board of Trustees:

Present:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Mark Poulos
- Brad Cole
- Daniel Hopkins
- Michael Inman
- Scott Bowers
- Elizabeth Holleb

Absent:

- Lee Catavu (Trustee Catavu was present in the meeting via Zoom but did not attend or record any votes due to the requirements of the Open Meetings Act.

All individuals present are reflected in the list of attendees.

General Legal Counsel Reimer recommended a motion to nominate a Board Secretary Pro Tem at this Board of Trustees meeting to record roll call and voice votes on all board actions, due to the absence of the Secretary Trustee Catavu.

A motion was made by Trustee Inman and seconded by Trustee Swanlund to nominate Trustee Hopkins as the Board of Trustee Pro Tem Secretary for the Board of Trustee Meeting today, July 19, 2024.

Motion carried by a voice vote.

Ayes- 8

Nayes- None

Absent- 1

## **Board of Trustees**

### 3.1- Board of Trustees Meeting Minutes- June 14, 2024:

Executive Director White presented the Board of Trustees Meeting Minutes from June 14, 2024, to the Board of Trustees and recommended they be approved. Executive Director White answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve the Board of Trustees Meeting Minutes from June 14, 2024.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Poulos, Bowers, Hopkins, Inman, Holleb, and Cole

Nays- None

Absent- Trustee Catavu

### 3.2- Ethics Training: Discussion and Potential Action:

Attorney Reimer, General Legal Counsel, conducted annual ethics training with the Board of Trustees, and all present staff of the Fund. A minimum number of training hours is required annually, Board member training to “develop and maintain an adequate level of knowledge and understanding of relevant issues” is also noted in the Education and Training Policy (PP-2023-05).

General Legal Counsel Reimer presented an update and refresher course on Basic Ethics for the Board of Trustees. The Ethics Policy was also presented for review and supportive information. The Board of Trustees are to receive a training certificate for the training course that was conducted today.

Attorney Reimer answered all questions.

## **Investments**

### 4.1- Investment Update Report: Discussion and Potential Action:

Chief Investment Officer (CIO) Custer briefed the Board of Trustees on investment performance, cash flow, asset allocation, and rebalancing activity.

The IPOPIF investment pool was up 4.4% in 2024 through May compared to the +4.5% for the Policy Benchmark and 4.8% for the Broad Benchmark. The preliminary June estimate of 0.9% would increase IPOPIF FY24 performance to 11.7%. Initial active manager contributions have been mixed but positive overall; +\$4.7 million net of \$1.4 million of fees.

The largest of the US stocks continue to lead earnings growth and valuation expansion (higher price to earnings) has magnified returns. IPOPIF took advantage of the Russell 1000 index reconstitution on June 28, to trim US large-cap gains and top off international equity and US TIPS. The new 3% allocation to US Treasury Bonds was funded gradually from

Short term bonds and is now complete. The new Emerging Market Equity (EME) ex China index fund is being funded gradually from the existing EME fund and will continue in 3Q24. Recent allocation adjustments have been beneficial as Emerging Market Equity (EME) ex-China and US Treasuries outperformed Emerging Market Equity and Short-Term Debt. Rhumbline activity was related to the annual Russell index reconstitution on June 28, 2024.

Net cash flow appears to be stabilizing near zero. There is a recent pattern of modest net outflows early in the quarter and net inflows at the end of the quarter.

Current investment manager searches are on track. Emerging Market Debt (EMD) Semifinalist interviews with Staff and Verus were conducted on July 11 and July 12. Board interviews and selection are planned for the September Board meeting. The Emerging Market Equity (EME) ex-China manager search is proceeding. They are seeing robust manager engagement on the inHub RFP platform. Proposals are due by August 16, 2024. Final interviews and selection are targeted for the October 18, 2024, Board of Trustees meeting.

We have seen significant progress on preparations for the October 1 transition. Most outstanding police pension funds have provided the required documentation and investment contact information. In September the asset certifications will be created and distributed to those funds that are preparing to transfer. October 1, 2024, is the date of the asset transfer for those same funds, and on October 31, 2024, the reconciliations will be complete, and receipts will be provided to the transferring pension funds. In November, the first monthly reports will be available for all current funds, and the newly transferred funds.

CIO Custer answered all questions.

#### 4.2- Special Investment Principles: Discussion and Potential Action:

CIO Custer discussed with the Board of Trustees interest in investment and policy considerations relating to investment in or contracting with businesses that have supported activities that are contrary to the interests of IPOPIF, such as anti-police or anti-pension initiatives or organizations. Work was done in early 2022 by Staff, Verus, and Fiduciary Counsel, which was presented to the Board at the April 2022 meeting and revisited at the April 12, 2024, meeting. The Board referred this matter to the Governance Committee for further consideration. This topic was then reviewed by the Governance Committee at their meeting on May 17, 2024. Chairperson Suess discussed with the Board of Trustees what the Governance Committee previously deliberated on regarding those organizations that are

anti-police or anti-pension. He stated that the greatest impact may be through proxy voting. A proxy voting service provider should be considered.

Related investment objectives for consideration were presented to the Board of Trustees. Those objectives include revision of the Investment Policy Statement, Investment Services Procurement Policy and a template to reference or incorporate the Statement of Principle. A draft revision of the Investment Services Procurement Policy was presented to the Board of Trustees for consideration.

The Board of Trustees discussed changing the wording of the Statement of Principle and requested to bring it back to the Board of Trustees at the September meeting with revisions for additional consideration.

#### 4.3- Private Markets- Implementation Overview: Discussion and Potential Action:

CIO Custer and Tim McEnergy, Verus, briefed the Board of Trustees on the Private Markets Implementation Strategy. Private market investments are subject to additional risks, including illiquidity, lower transparency, less regulatory oversight, and a wider range of outcomes vs. traditional public market investments. While these risks should be compensated with higher returns, robust implementation is required to avoid disappointing results.

CIO Custer and Verus believe that the full implementation of private market investments will require additional consulting support, beyond current contractual limitations. CIO Custer asked Verus to develop an implementation framework that could be initiated under the current contract and expanded in the future. Their preliminary implementation strategy was provided to the Board of Trustees for review.

Mr. McEnergy briefed the Board of Trustees on the private market preliminary implementation plan for the Fund. This plan included short-term and long-term strategies and goals. The phased approach, presented by Verus, will allow IPOPIF to initiate exposure and gain experience using proven providers and then build on this base to enhance returns and reduce fees. The IPOPIF 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. A secondary strategic plan will be presented in September for further implementation of this strategy.

Mr. McEnergy answered all questions.

Mr. Custer stated his view that IPOPIF should move forward with a search for a private credit platform using the Verus implementation framework. With the recent addition of Greg Turk, we are evaluating the applicability of this framework for private equity, real estate, and infrastructure. Addition implementation plans for private markets are targeted for the September Board meeting.

4.4- Private Credit Investments- Education: Discussion and Potential Action:

Tim McEnergy, Verus, conducted educational training for the Board of Trustees on Private Credit.

Mr. McEnergy covered the IPOPIF policy targets regarding growth, real assets, income, manager selection, and risk mitigation. He also discussed an implementation plan for private credit as well as the lifecycle of private market cash flow.

Mr. McEnergy answered all questions.

4.5- Private Credit Search Request: Discussion and Potential Action:

The Board of Trustees established the Procurement of Investment Services Policy, PP-2021-07, so that all decisions to procure Investment Services will be made with respect to the principles of competitive selection, full disclosure, objective evaluation, and proper documentation.

The long-term asset allocation dedicates 5% to the Private Credit (PC) asset class. IPOPIF currently has zero (0) exposure to private credit, as the asset class is not available in passive strategies. Private credit is expected to provide return diversification and enhancement to the broader credit portfolio, offset by higher fees and illiquidity. Private market investments are executed through well-defined capital commitments which will require IPOPIF to fund a series of “capital calls” on demand. Funding for private credit investments is expected to come primarily from the current passive credit exposures to high-yield and emerging markets debt.

Steve Yoon, Investment Officer, outlined the private credit investment search that is being recommended to the Board of Trustees including portfolio construction, scope of services, objective, potential platforms, process, preferences, timeline, and fees.

A motion was made by Trustee Hopkins and seconded by Trustee Holleb to approve the search for an active investment manager for private credit (PC) investments.

Motion carried by roll call vote.

Ayes- Trustees Suess, Poulos, Bowers, Hopkins, Inman, Holleb, and Cole

Nayes- None

Absent- Trustee Catavu, Swanlund

### **Lunch Break**

Chairperson Suess called for a recess for lunch at 11:45 A.M.

At 12:22 P.M. the IPOPIF Board of Trustees Meeting general session reconvened.

### **Administration**

#### 6.1- Insurance Policies and Coverages: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on the recent renewals of the insurance coverage policy for FY2025. IPOPIF has received commercial insurance coverage through Cook Castle Associates, LLC. since 2020 for services through a competitive bid process and has included annual renewals of the policies since then.

The Contract Committee reviewed the insurance coverages with Mr. Greg Kiesewetter, CIC, Cook Castle Associates, Inc., at their May 17, 2024, meeting. The Committee recommended by a vote of 3-Aye, 0-No, and 1-absent to recommend that the Board of Trustees approve the insurance policies with increases in coverages as provided by Cook Castle, Inc. Among the reasons for increasing coverages included the growth in investment assets under management, the increase in full-time staff, and the increased cyber risk in society.

The Fiduciary Liability coverage to be considered at this meeting is an increase in the aggregate amount of liability from the current coverage level of \$10M to \$15M with the continued retention amount of \$50,000. The annual premium increase for the increased coverage would be \$104,885 versus \$81,386 for the current coverage. As the Contract Committee recommended increased coverage, the increased premium is included in the FY 25 Budget. The recommendation for increased coverage is primarily due to the current and projected increased size of the trust fund assets which are projected to reach over \$11 billion during fiscal year 2025.

Mr. Kiesewetter answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve Fiduciary Liability Insurance Coverage: Additional limit option of \$15,000,000 with a retention of \$50,000 for the term of July 1, 2024, to June 30, 2025.

Motion carried by roll call vote.

Ayes- Trustees Sues, Swanlund, Poulos, Bowers, Hopkins, Holleb

Nayes- Trustees Inman and Cole

Absent- Trustee Catavu

6.2- Employee Handbook: Discussion and Potential Action:

Executive Director White discussed with the Board of Trustees that the Governance Committee reviewed the Employee Handbook revisions at their May 17, 2024, meeting and voted 3-0 (with one trustee absent) in favor of recommending that the Board of Trustees approve the Employee Handbook with the revisions, as presented.

Four revisions were presented for approval: Revisions incorporating changes to State law, including the Illinois Paid Leave for All Workers Act, Personnel Records Review Act, Victim's Economic Security and Safety Act, and the Family Bereavement Act. Revisions to paid time off (PTO) to 20 days for year 1 through year 4. Revisions to PTO to 25 days for year 5 and beyond. Revisions to PTO accrual to two years.

The final request would be to apply these revisions to all current employees of IPOPIF.

A motion was made by Trustee Inman and seconded by Trustee Hopkins to approve the Employee Handbook, as revised as of July 19, 2024.

Trustee Holleb inquired about the carry-over and pay-out of an employee upon departure from IPOPIF regarding the maximum accrual and the way the policy is written.

It was requested that Taylor Muzzy, Fiduciary Counsel, research the item regarding the legal requirement and that this topic be brought back up to the Board of Trustees at a subsequent meeting.

Trustee Inman and Trustee Hopkins withdrew the motion and second.

6.3- Contract Approval- Shepherd Communications: Discussion and Potential Action:



Shepherd Public Relations, LLC. (formally Shepherd Communications) has provided communication services to the Fund since 2021. The scope of this engagement is for Shepherd PR to provide strategic communication, planning, and execution that is primarily focused on media relations and coverage, which has been the primary focus of this engagement since its inception. Additionally, Shepherd has prepared the newsletter and articles for the Fund for the past year, as well. Shepherd has performed these communication services very well and has been relied upon by me and CIO Custer in our communications, press releases, and media relations over the past year.

A review of Shepherd Public Relations, LLC is being provided to the full Board of Trustees as a component of the contract extension for Shepherd Public Relations, LLC. The review is very positive and did not result in any suggestions for improvement nor did the evaluation result in any suggestions for change.

Executive Director White answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve a one-year contract with Shepherd Public Relations, LLC, and authorize the Executive Director to execute the contract.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Poulos, Bowers, Hopkins, Inman, Holleb, and Cole

Nays- None

Absent- Trustee Catavu

#### 6.4- Operations Update Report: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on current and upcoming events. Currently, the Trustee election is preparing for the end of the nomination period on July 31, 2024, and the nomination challenge period to begin on August 7, 2024, and concluding on August 23, 2024. Ballots for the Trustee election are to be mailed out on September 16, 2024.

There is an upcoming Special Board of Trustees Meeting tentatively scheduled for August 23, 2024, and a regular Board of Trustees Meeting scheduled to take place on September 13, 2024.

Executive Director White answered all questions.

### **General Legal Counsel**

#### 7.1- General Legal Counsel Report: Discussion and Potential Action:

Rick Reimer, General Legal Counsel, did not provide a verbal report to the Board of Trustees.

### **Fiduciary Legal Counsel**

#### 8.1- Fiduciary Legal Counsel Report: Discussion and Potential Action:

Taylor Muzzy, Fiduciary Legal Counsel, did not provide a verbal report to the Board of Trustees.

### **Public Comment**

#### 10.0- Public Comment:

An opportunity for public comment was provided at 1:08 P.M. No comments were heard, and no discussion was provided.

### **Closed Session (if necessary)**

#### 9.1- Closed/Executive Session- Appointment, employment, compensation, discipline, performance, or dismissal of Executive Director and Chief Investment Officer (5 ILCS 120/2(c)(1): Discussion and Potential Action:

Attorney Reimer reviewed the need for a motion to enter a closed session.

A motion was made by Trustee Inman and seconded by Trustee Hopkins to enter into a closed session in accordance with the exception under 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees and specific individuals.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Poulos, Bowers, Hopkins, Inman, Holleb, and Cole

Nays- None

Absent- Trustee Catavu

The Board of Trustees entered into closed session at 1:10 P.M.

A motion was made by Trustee Poulos and seconded by Trustee Bowers to return to an open session.

Motion carried by roll call vote.

Ayes- Trustees Sues, Swanlund, Poulos, Bowers, Hopkins, Inman, Holleb, and Cole

Nayes- None

Absent- Trustee Catavu

The Board of Trustees returned to open session at 1:35 P.M.

A roll call was conducted. Eight (8) Trustees were present. One (1) Trustee was absent. A quorum was established with the required number of six (6) Trustees present in the meeting room.

Board of Trustees:

Present:

- Philip Sues, Chairperson
- Paul Swanlund, Vice Chairperson
- Mark Poulos
- Brad Cole
- Daniel Hopkins
- Michael Inman
- Scott Bowers
- Elizabeth Holleb

Absent:

- Lee Catavu

Attorney Reimer noted that the Board of Trustees took no actions in closed session and there is nothing to report.

## **Adjournment**

### 11.0- Adjournment:

A motion was made by Trustee Inman and seconded by Trustee Swanlund to adjourn the Board of Trustees Meeting.

Motion carried by a voice vote.

Ayes- 8

Nayes- None

Absent- 1

Meeting adjourned at 1:36 P.M.

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Phil Sues, Chairperson, Board of Trustees

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Lee Catavu, Secretary, Board of Trustees

Date Approved by the Board of Trustees: September 13, 2024



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: COMMITTEE MEETING MINUTES  
DATE: SEPTEMBER 13, 2024

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**RECOMMENDED ACTION:** Accept the Committee Minutes for the (1) Governance Committee Minutes - September 14, 2023; (2) Contract Committee Minutes – February 9, 2024; (3) Audit and Budget Committee Minutes – February 9, 2024; (4) Legislative Committee Minutes – September 14, 2023; (5) Election Committee Minutes – March 20, 2023.

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Committees of the Board conducted their regular scheduled meetings on May 17, 2024 and each committee approved the minutes of the most recent meeting of that committee. The approved minutes from each committee are included in the agenda packet for review and acceptance by the Board of Trustees.



## **Illinois Police Officers' Pension Investment Fund**

### **Governance Committee Meeting Minutes**

**Thursday, September 14, 2023, at 5:15 P.M.**

A regular meeting of the Governance Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Marriott Pere Marquette Hotel, Marquette Salon B, 501 Main Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Attendees**

Governance Committee Members:

- Philip Suess, Chairperson
- Michael Inman
- Lee Catavu

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Finance Director/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist
- Sean Zears, Communications Specialist

Others Present:

- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Vince Mancini, General Legal Counsel, Reimer, Dobrovolny & Labardi PC (Zoom)
- Members of the Public (Zoom)

## **Agenda**

All members of the Board of Trustees, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, the IPOPIF office door, and the meeting room door.

### **Call to order:**

The meeting was called to order at 5:15 PM by Chairperson Suess.

### **Roll Call**

A roll call was conducted, and 3 Trustees were present. A quorum was established with the 3 required number of Trustees present.

Governance Committee:

- Philip Suess, Chairperson
- Lee Catavu
- Michael Inman

Governance Committee Members Absent:

- None

Vacant:

- Trustee Vacancy (1)

All individuals present are reflected in the list of attendees.

## **Review of Governing Policy Documents**

3.1- Governance Committee Policy (PP-2020-13): Executive Director White briefed the Governance Committee Policy (PP-2020-13) to the Governance Committee. This policy was originally adopted by the Board of Trustees on December 14, 2020, and is presented to the Governance Committee for required review according to the policy. No changes are recommended to the policy. This policy will be presented to the Board of Trustees at the October 13, 2023, meeting if it is recommended for approval. Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Catavu to recommend the Board of Trustees approve the revised Governance Committee Policy (PP-2020-13).

Motion carried by a roll call vote.

Ayes: Trustees Sues, Inman, and Catavu

Nays: None

Absent: None

Vacant: (1)

3.2- Ethics Policy (PP-2020-07): Executive Director White briefed the Ethics Policy (PP-2020-07) to the Governance Committee. This policy was adopted by the Board of Trustees on December 14, 2020, and is presented to the Governance Committee for required review according to the policy. No changes are recommended to the Policy. Executive Director White answered all questions.

A motion was made by Trustee Catavu and seconded by Trustee Inman to recommend the Board of Trustees approve the Ethics Policy (PP-2020-07).

Motion carried by a roll call vote.

Ayes: Trustees Sues, Inman, and Catavu

Nays: None

Absent: None

Vacant: (1)

3.3- Education and Training Policy (PP-2023-05): Executive Director White briefed the Education and Training Policy (PP-2023-05) to the Governance Committee. This is a new policy that has been presented to the Governance Committee for review with revisions made in accordance with previous discussions about the policy by the Board of Trustees. Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Catavu to recommend the Board of Trustees approve the Education and Training Policy (PP-2023-05).

Motion carried by a roll call vote.

Ayes: Trustees Sues, Inman, and Catavu

Nays: None

Absent: None

Vacant: (1)



3.4- Travel Policy (PP-2023-01): Executive Director White briefed the Travel Policy (PP-2023-01) to the Governance Committee. This policy was adopted by the Board of Trustees on February 10, 2023, and is presented for review with revisions made in accordance with recent legislative changes. The Board of Trustees sponsored legislation amending the Pension Code, passed by the Legislature and signed into law by Governor Pritzker as Public Act 103-506. Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Catavu to recommend the Board of Trustees approve the revised Travel Policy (PP-2023-01).

Motion carried by a roll call vote.

Ayes: Trustees Suess, Inman, and Catavu

Nayes: None

Absent: None

Vacant: (1)

3.5- Chief Investment Officer Job Description (PP-2020-12): Executive Director White, as well as Chief Investment Officer (CIO) Custer, briefed the Chief Investment Officer Job Description Policy (PP-2020-12) to the Governance Committee. IPOPIF policies are required to be reviewed by the Board of Trustees every two (2) years to ensure that they remain relevant, appropriate, and consistent with state and federal laws and regulations. The Chief Investment Officer and General Counsel have reviewed the Chief Investment Officer Job Description (PP-2020-12) policy. Item #10a in the policy was discussed and recommended to be revised to have the annual goals and objectives and annual performance reviews of assigned staff listed and updated for the current timeframe. Changes to this policy were approved at the Contract Committee Meeting. Executive Director White and CIO Custer answered all questions.

A motion was made by Trustee Catavu and seconded by Trustee Inman to recommend the Board of Trustees approve the revised Chief Investment Officer Job Description Policy (PP-2020-12) with a revision to include annual goals and objectives and annual performance reviews of assigned staff.

Motion carried by a roll call vote.

Ayes: Trustees Suess, Inman, and Catavu

Nayes: None

Absent: None

Vacant: (1)

3.6- Investment Officer Job Description (PP-2021-02): CIO Custer briefed the Investment Officer Policy (PP-2021-02) to the Governance Committee. IPOPIF policies are required to be reviewed by the Board of Trustees every two (2) years to ensure that they remain relevant, appropriate, and consistent with state and federal laws and regulations. No changes are recommended to the policy. CIO Custer answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Catavu to recommend the Board of Trustees approve the revised Investment Officer Policy (PP-2021-02) .

Motion carried by a roll call vote.

Ayes: Trustees Suess, Inman, and Catavu

Nays: None

Absent: None

Vacant: (1)

3.7- Investment Analyst Job Description (PP-2021-04): CIO Custer briefed the Investment Analyst Job Description Policy (PP-2021-04) to the Governance Committee. IPOPIF policies are required to be reviewed by the Board of Trustees every two (2) years to ensure that they remain relevant, appropriate, and consistent with state and federal laws and regulations. There was a discussion about anticipated staffing levels. No changes are recommended to the policy. CIO Custer answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Catavu to recommend the Board of Trustees approve the revised Investment Analyst Job Description Policy (PP-2021-04).

Motion carried by a roll call vote.

Ayes: Trustees Suess, Inman, and Catavu

Nays: None

Absent: None

Vacant: (1)

## **Minutes**

4.1- Governance Committee Meeting Minutes- March 30, 2023: Governance Committee meeting minutes from May 30, 2023, were reviewed with the Governance Committee. The Governance Committee Meeting minutes were recommended for approval. Executive Director White answered all questions.

A motion was made by Trustee Catavu and seconded by Trustee Inman to approve the May 30, 2023; Governance Committee meeting minutes as presented.

Motion carried by a roll call vote.

Ayes: Trustees Suess, Inman, and Catavu

Nays: None

Absent: None

Vacant; (1)

## **Review of Meeting Calendar**

A review of the meeting calendar was conducted, and the next Governance Committee Meeting is set to take place on November 9, 2023.

## **Closed Session (If necessary)**

A closed session was not held.

## **Public Comment**

An opportunity for public comment was provided at 5:31 PM. No comments were heard, and no discussion was provided.

## **Adjournment**

A motion was made by Trustee Inman and seconded by Trustee Catavu to adjourn the Governance Committee meeting at 5:33 PM.

Motion carried by a roll call vote.

Ayes: Trustees Suess, Inman, and Catavu

Nays: None

Absent: None

Vacant: (1)

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Phil Suess, Chairperson, Governance Committee

Date Approved by the Audit & Budget Committee: May 17, 2024



## **Illinois Police Officers' Pension Investment Fund**

### **Contract Committee Meeting Minutes**

**Friday, February 9, 2024, at 2:00 P.M.**

A regular meeting of the Contract Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Bldg., Suite 420 Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Attendees:**

##### **Contract Committee:**

- Elizabeth Holleb, Chairperson
- Scott Bowers
- Michael Inman
- Mark Poulos

##### **IPOPIF Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

##### **Others Present:**

- Rick Reimer, General Legal Counsel, Reimer, Dobrovlny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Daniel Hopkins, IPOPIF Trustee
- Kim Shepherd, Shepherd Communications (Zoom)

- Members of the Public (Zoom)

## **Agenda**

All members of the Contract Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

## **Call to Order**

The meeting was called to order by Chairperson Holleb at 2:00 P.M.

## **Roll Call**

### 2.1- Roll Call: Discussion and Potential Action:

A roll call was conducted. 4 Trustees were present. A quorum was established with the 3 required number of Trustees present.

Contract Committee Present:

- Elizabeth Holleb, Chairperson
- Scott Bowers
- Michael Inman
- Mark Poulos

All individuals present are reflected in the list of attendees.

## **Minutes**

### 3.1- Contract Committee Minutes- September 14, 2023: Discussion and Potential Action:

Executive Director White presented to the Contract Committee the minutes of the Contract Committee meeting held on September 14, 2023.

A motion was made by Trustee Inman and seconded by Trustee Poulos to approve the minutes of the Contract Committee meeting on September 14, 2023.

Motion carried by a voice vote.

Ayes- 4 yes

Nayes- 0

Absent- 0

## **Service Providers**

### 4.1- Review of Service Providers: Discussion and Potential Action:

Executive Director White briefed the Contract Committee regarding the procedures to review service providers used by the Illinois Police Officers' Pension Investment Fund (IPOPPIF), as provided for in the Purchasing and Professional Services Contracting Policy (PP-2020-11). Executive Director White reviewed the list of current service providers which outlines the services provided, start date, contractual agreement, and recommended review date for each service provider. Executive Director White stated that the reviews for service providers will begin shortly and will be provided to the Contract Committee at their next meeting for review and consideration.

Executive Director White answered all questions.

## **Public Comment**

### 6.0- Public Comment:

An opportunity for public comment was provided at 2:10 PM. No comments were heard, and no discussion was provided.

## **Adjournment**

### 7.0 Adjournment

A motion was made by Trustee Poulos and seconded by Trustee Inman to adjourn the meeting.

Motion carried by a voice vote.

Ayes- 4 yes

Nayes- 0

Absent- 0

Meeting adjourned at 2:10 PM.

Respectfully submitted by:

---

Kate Cobb, Administrative Analyst

Approved by:

---

Elizabeth Holleb, Chairperson, Contract Committee

Date Approved by the Contract Committee: May 17, 2024





## **Illinois Police Officers' Pension Investment Fund**

### **Audit & Budget Committee Meeting Minutes**

**Friday, February 9, 2024, at 2:30 P.M.**

A regular meeting of the Audit and Budget Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Bldg., Suite 420 Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Attendees:**

##### **Audit & Budget Committee:**

- Paul Swanlund, Chairperson
- Elizabeth Holleb
- Daniel Hopkins
- Phil Suess

##### **IPOP Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

##### **Others Present:**

- Rick Reimer, General Legal Counsel, Reimer, Dobrovlny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

## **Agenda**

All members of the Audit & Budget Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

## **Call to Order**

The meeting was called to order by Chairperson Swanlund at 2:30 P.M.

## **Roll Call**

### 2.1- Roll Call: Discussion and Potential Action:

A roll call was conducted. 4 Trustees were present. A quorum was established with the 3 required number of Trustees present.

Audit & Budget Committee Present:

- Paul Swanlund, Chairperson
- Elizabeth Holleb
- Daniel Hopkins
- Philip Suess

All individuals present are reflected in the list of attendees.

## **Minutes**

### 3.1- Audit & Budget Committee Minutes- December 14, 2023: Discussion and Potential Action:

Executive Director White presented to the Audit & Budget Committee the minutes of the Audit & Budget Committee meeting held on December 14, 2023.

A motion was made by Trustee Holleb and seconded by Trustee Suess to approve the minutes of the Audit & Budget Committee meeting on December 14, 2023.

Motion carried by roll call vote.

Ayes- Trustees Swanlund, Suess, Holleb, Hopkins

Nayes- None

Absent- None

## **Agreed Upon Procedures**

### 4.1- AUP Update: Discussion and Potential Action:

Chief Financial Officer (CFO) Tuczak briefed the Audit & Budget Committee on the current status of the Agreed Upon Procedures (AUPs) of the Article 3 Police Pension Funds.

With approval by the Board of Trustees to hire three independent CPA firms to conduct the AUPs, CFO Tuczak discussed the next action steps, noting: 1. Engagement letters will be submitted to fiduciary counsel for review. 2. The Illinois Department of Insurance (IDOI) will be notified that CPA firms have been approved by the Board for these services, however, written engagement letters are pending. Information will also be requested from the IDOI concerning the timing of the most recent examination by the IDOI on each Article 3 fund. 3. After the execution of the engagement letters, a planning meeting will be conducted with all retained CPA firms to discuss testing procedures, sampling, timeframe, and deliverables. 4. IPOPIF staff will prepare a rotational schedule for the 357 Article 3 fund AUPs.

CFO Tuczak answered all questions.

## **Budget: Fiscal Year 2024**

### 5.1- Mid-Year Budget Report: Discussion and Potential Action:

CFO Tuczak and Executive Director White briefed the Audit & Budget Committee on the Approved and Adopted Fiscal Year 2024 (FY 24) Budget. An analysis was prepared and previously distributed to the Committee members, which compared the adopted FY 24 Budget, to expenditures as of February 1, 2024, which includes all expenses through Warrant 24-08. A proposed Final Budget for FY 24 was prepared for consideration by the Committee. Further information regarding changes greater than \$10,000 and 10% from the Adopted FY 24 Budget was provided and presented by CFO Tuczak. The Committee provided comments and feedback on the draft Mid-Year Budget Report for FY 24 and recommended the presentation of the final draft to the Board on March 8, 2024.

CFO Tuczak answered all questions.

Trustee Suesse inquired about the billing practices for investment manager fees, noting that some managers submit invoices for payment to IPOPIF, and some managers deduct fees from the investment account held on behalf of IPOPIF. He suggested that the managers be asked to bill IPOPIF directly for these fees. CFO Tuczak agreed that it is a preference to have managers bill IPOPIF directly for investment management fees, however, some managers, particularly when invested in a commingled fund product, are not able to bill IPOPIF directly and in such situations, which is common within the industry, the investment managers fees are deducted directly from the commingled investment product. Given this difference in billing practices, CFO Tuczak indicated that the Fiscal Year 2025 budget is anticipated to have a separate analysis for investment manager fees that will include all estimated manager fees regardless of billing arrangement.

A motion was made by Trustee Swanlund and seconded by Trustee Holleb to recommend the Mid-Year Budget Report for Fiscal Year 2024 be presented and approved by the Board of Trustees.

Motion carried by roll call vote.

Ayes- Trustees Swanlund, Suesse, Holleb, Hopkins

Nays- None

Absent- None

## **Closed Session**

### 6.0- Closed Session:

No Closed Session was needed.

## **Public Comment**

### 7.0- Public Comment:

An opportunity for public comment was provided at 2:52 PM. No comments were heard, and no discussion was provided.

## **Adjournment**

### 8.0 Adjournment

A motion was made by Trustee Holleb and seconded by Trustee Suesse to adjourn the meeting.

Motion carried by roll call vote.

Ayes- Trustees Swanlund, Suess, Holleb, Hopkins

Nayes- None

Absent- None

Meeting adjourned at 2:52 PM.

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Paul Swanlund, Chairperson, Audit & Budget Committee

Date Approved by the Audit & Budget Committee: May 17, 2024



## **Illinois Police Officers' Pension Investment Fund**

### **Legislative Committee Meeting Minutes**

**Thursday, September 14, 2023, at 4:30 P.M.**

A regular meeting of the Legislative Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Marriott Pere Marquette Hotel, Marquette Salon B, 501 Main Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Attendees (4)**

Legislative Committee Members:

- Lee Catavu, Chairperson
- Paul Swanlund
- Elizabeth Holleb
- Brad Cole

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Finance Director/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist
- Sean Zears, Communications Specialist

Others present:

- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Vince Mancini, General Legal Counsel, Reimer, Dobrovolny & Labardi PC (Zoom)
- Members of the Public (Zoom)

#### **Agenda**

All members of the Legislative Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the website, office door, and door of the meeting room.

### **Call to order:**

The meeting was called to order at 4:36 PM by Chairperson Catavu.

### **Roll Call**

A roll call was conducted. 4 Trustees were present. A quorum was established with the 3 required number of Trustees present.

Legislative Committee:

- Lee Catavu, Chairperson
- Paul Swanlund
- Brad Cole
- Elizabeth Holleb

Legislative Committee Members Absent:

- None

Vacant:

- None

All individuals present are reflected in the list of attendees.

### **Government Liaison**

3.1- Government Liaison Report: A Governmental Liaison Report was provided by Bukola Bello, Vision MAI, and time was allotted for all discussion and questions. Ms. Bello briefed the Legislative Committee on numerous House and Senate bills of interest to the Fund and its participants with emphasis on the upcoming veto sessions.

### **Review of Governing Policy Documents**

4.1- Legislative Committee Policy (PP-2020-08): Executive Director White briefed the Legislative Policy (PP-2020-08) to the Legislative Committee. This policy was adopted by the Board of Trustees on September 11, 2020, and amended on two subsequent occasions. The policy is presented to the Legislative Committee for required review according to the policy. The policy, as revised and recommended by the Legislative Committee, will then be presented to the Board of Trustees at the October 13, 2023, meeting for approval. Executive Director White answered all questions.

A motion was made by Trustee Cole and seconded by Trustee Swanlund to recommend the Board of Trustees approve the revised Legislative Committee Policy (PP-2020-08) with revisions.

Motion was carried by a roll call vote.

Ayes: Trustees Catavu, Swanlund, Cole, and Holleb

Nays: None

Abstain: None

Absent: None

Vacant: None

## **Minutes**

5.1- Legislative Committee Meeting Minutes- January 19, 2023: The Legislative Committee minutes were reviewed and discussed by the members of the Committee. Executive Director White was available for all questions.

A motion was made by Trustee Cole and seconded by Trustee Swanlund to approve the Legislative Committee meeting minutes from January 19, 2023, as presented.

Motion was carried by a roll call vote.

Ayes: Trustees Catavu, Swanlund, and Cole

Nays: None

Abstain: Trustee Holleb

Absent: None

Vacant: None

## **Review of Meeting Calendar**

A review of the meeting calendar was conducted, and the next Legislative Committee Meeting is set to take place on November 9, 2023.

## **Closed Session (If necessary)**

A closed session was not held.

## **Public Comment**



An opportunity for public comment was provided at 4:45 PM. No comments were heard, and no discussion was provided.

### **Adjournment**

A motion was made by Trustee Swanlund and Trustee Holleb to adjourn the Legislative Committee meeting at 4:46 PM.

Motion was carried by a roll call vote.

Ayes: Trustees Catavu, Swanlund, Cole, and Holleb

Nays: None

Abstain: None

Absent: None

Vacant: None

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Lee Catavu, Chairperson, Legislative Committee

Date Approved by the Audit & Budget Committee: May 17, 2024

IPOPIF

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Phil Suess  
ChairpersonPaul Swanlund  
Vice-ChairpersonLee Catavu  
SecretaryMark Poulos  
TreasurerBrad Cole  
TrusteeShawn Curry  
TrusteeElizabeth Holleb  
TrusteeDaniel Hopkins  
TrusteeMichael Inman  
Trustee

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

ELECTION COMMITTEE

## MEETING MINUTES – MARCH 20, 2023, at 2:00 p.m.

A meeting of the Illinois Police Officers' Pension Investment Fund's Election Committee was held on Monday, March 20, 2023, through the Zoom Digital Platform in accordance with the Gubernatorial Disaster Proclamation issued on 03-03-23 and Public Act 101-0640.

**TRUSTEES PRESENT:** Mark Poulos  
Brad Cole  
Michael Inman

**TRUSTEES ABSENT:** Shawn Curry

**STAFF PRESENT:** Richard White, Executive Director  
Gina Tuczak, Finance Director/Assistant Executive Director  
Kate Cobb, Administrative Analyst

**OTHERS PRESENT:** Vince Mancini, General Counsel, Reimer Dobrovolny & LaBardi PC  
Taylor Muzzy, Fiduciary Counsel, JBOH  
Allie Rysell, Plan Administrator, Foster & Foster, Inc.  
Members of the Public

**CALL TO ORDER:** Committee Chairperson Poulos called the meeting to order at 2:03 p.m.

**ROLL CALL:** As reflected above.

**MEETING MINUTES:** *Review/Approve – September 1, 2022, Meeting Minutes:* The Committee reviewed the draft minutes from the September 1, 2022, meeting. A motion was made by Trustee Inman and seconded by Trustee Poulos to approve the September 1, 2022, meeting minutes. Motion carried unanimously by roll call vote.

**AYES:** Trustees Poulos, Cole, and Inman

**NAYS:** None

**ABSENT:** Trustee Curry

**OLD BUSINESS:** There was nothing outstanding to discuss.

**NEW BUSINESS:** *2022 Post-Election Discussion:* Executive Director White summarized the election process that was held in 2022. The election timeline and key dates from the election cycle were discussed with the Committee. The seating of the elected trustees occurred at the Board's January 27, 2023 meeting.

Executive Director White noted that IPOPIF's election service provider, Survey and Ballot Systems, issued a refund in the amount of \$6,366 for election services that were not required for the 2022 election

Illinois Police Officers' Pension Investment Fund  
Election Committee  
Meeting Minutes – March 20, 2023  
Page 2 of 2

cycle. He noted that the envelopes that were printed for the election ballots will be stored at SBS to be used for the next election cycle.

*2024 Election Preview/Discussion:* Executive Director White noted that the next election will be held in the calendar year 2024 for terms of office beginning January 2025 through December 2028. The Committee will review the election process and procedures and Election Policy at the November 9, 2023, meeting. All questions were answered by Executive Director White.

*Status Update – Trustee Vacancy Legislation:* Executive Director White noted that the Board approved legislative language at the February 10<sup>th</sup> special meeting to amend the pension code to permit the appointment of a new trustee to serve in a vacant position until the next election cycle. The matter is pending, and an update will be provided at a future meeting by the Governmental Liaison.

*Next Meeting:* Chair Poulos advised the Trustees that there will not be much to discuss prior to the November 9, 2023, meeting. He inquired if the Trustees would be in favor of cancelling the May 19, 2023, meeting. The Committee reviewed the meeting calendar with Executive Director White. A motion was made by Trustee Inman and seconded by Trustee Cole to cancel the May 19, 2023, meeting and to schedule the next meeting in September, with the date and time to be determined at a later time. Motion carried unanimously by roll call vote.

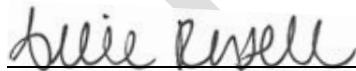
AYES: Trustees Poulos, Cole, and Inman  
NAYS: None  
ABSENT: Trustee Curry

**PUBLIC COMMENT:** There were no comments from the public.

**ADJOURNMENT:** A motion was made by Trustee Cole and seconded by Trustee Inman to adjourn the meeting at 2:15 p.m. Motion carried by roll call vote.

AYES: Trustees Poulos, Cole, and Inman  
NAYS: None  
ABSENT: Trustee Curry

Respectfully submitted by:

  
\_\_\_\_\_  
Allie Rysell, Plan Administrator

Approved by:

\_\_\_\_\_  
Mark Poulos, Committee Chairperson

Date Approved: \_\_\_\_\_



# **Illinois Police Officers' Pension Investment Fund**

## **Investment Update**

As of September 5, 2024

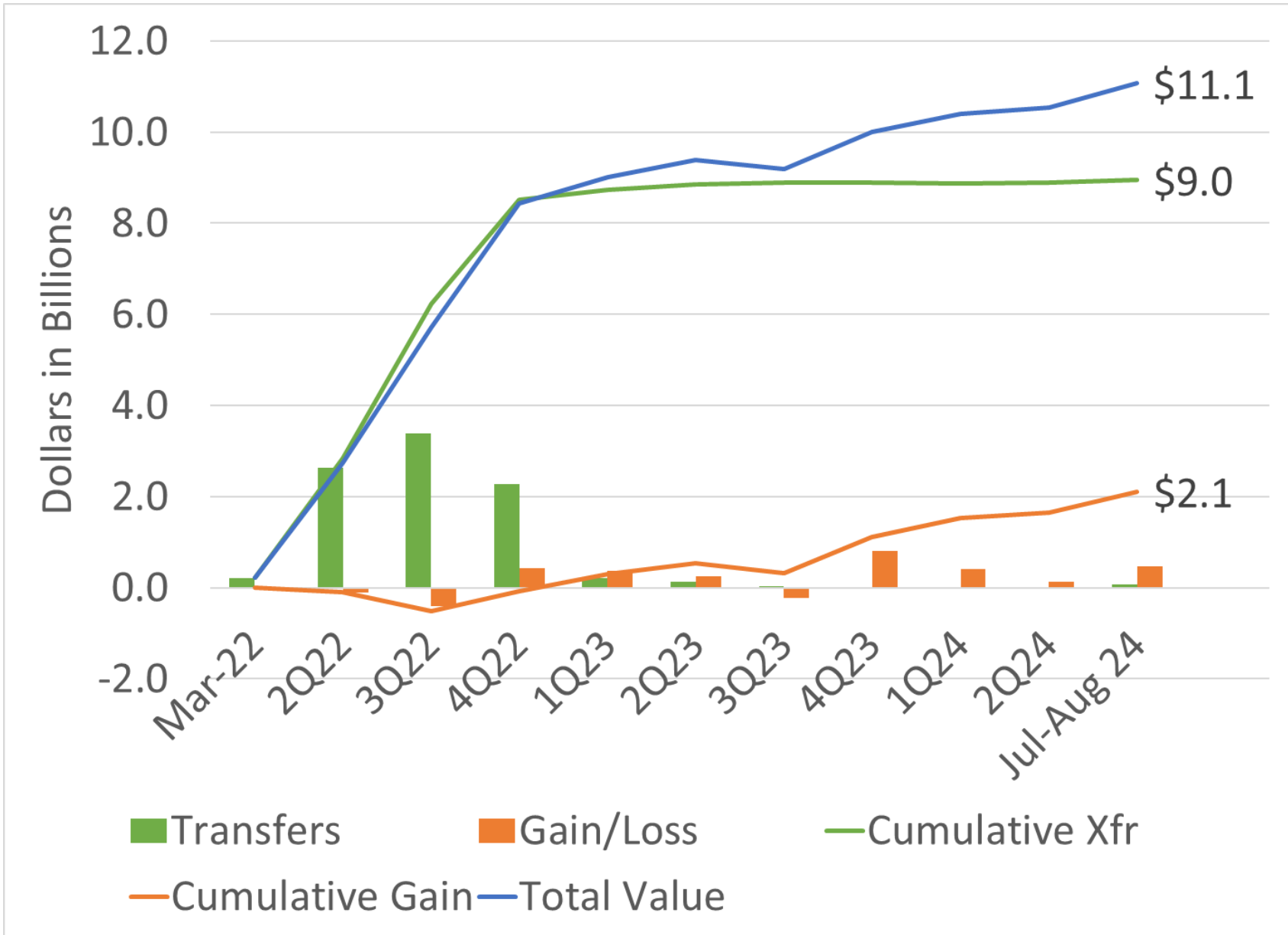
# Performance Update

	FY 2024 6/30/24	July 2024	YTD 1/24 – 7/24	Since Incept. 4/22*
IPOPIF Pool	+11.9%	+2.4%	+8.0%	5.0%
Policy Benchmark	+12.0%	+2.5%	+8.1%	5.0%
Broad Benchmark	+13.1%	+2.3%	+8.6%	4.6%
Actuarial Assumption (fiscal year)			+6.8%	

- 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.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year.

Preliminary data indicates that the Fund was up approximately 1.9% in August.

# IPOPIF Growth



# FY 24 Performance Commentary

- FY24 (June) total fund return of 11.9% driven by equities (+16.0%), especially US Large Cap (+23.8%).
- Strong income returns from high yield (+10.6%) and emerging market debt (+9.3%) reflect high current yields and “risk-on” market environment.
- REIT gains (+7.1%) up on similar market forces.
- Principal private real estate was down -8.7% reflecting valuation pressure related to higher interest rates and weak office demand. Outperformance vs. the index (-10.3%) reflect Principal’s earlier recognition of impairment in FY23. Depreciation is slowing and fundamentals continue to improve with consistent NOI (net operating income) growth and strong tenant retention. Staff maintains strong conviction.
- Risk mitigation asset classes were up 4.7%, primarily reflecting current yield.

# FY 25 Performance Commentary

- The total fund was up 2.4% in July as all asset classes posted positive returns. US small caps (+10.1%) were surprisingly strong and took REITs (+5.9%) along for the ride.
- Early August saw a stock market drawdown of nearly 10% from the July peak, driven by economic concerns and related market technical adjustments. These concerns were short lived and IPOPIF was up 1.97% with REITs (+6.4%) in the driver's seat.



# Active Manager Value Add

As of =>	2024-06					Fee %
	Start	NAV \$M	GVA	Fees	NVA	of GVA
Acadian	Jan 2024	267	7,743,889	562,482	7,181,407	7.3%
LSV	Mar 2024	127	538,196	320,272	217,924	59.5%
WCM	Mar 2024	123	(4,057,695)	254,144	(4,311,839)	Neg GVA
Ares	Mar 2024	102	255,879	72,640	183,239	28.4%
Aristotle	Mar 2024	204	(92,361)	183,208	(275,569)	Neg GVA
Principal	Jan 2023*	158	5,459,015	2,025,421	3,433,594	37.1%
Total		982	9,846,922	3,418,167	6,428,755	34.7%

Source: Investment Staff Calculations

\*Principal value add measured  
subsequent to asset consolidation

NAV - Net Asset Value

GVA - Gross Value Add (before fees)

NVA - Net Value Add (after fees)

- The Value-add model compares the ending value of an investment to a theoretical investment in the benchmark with the same cash flow dates.
- Fees and value added are cumulative since inception.
- Manager evaluation is multifaceted and should take a long-term perspective. This is only one view.
- The short timeframe summarized above provides a baseline but is not sufficient for meaningful conclusions.

# Funding and Rebalancing

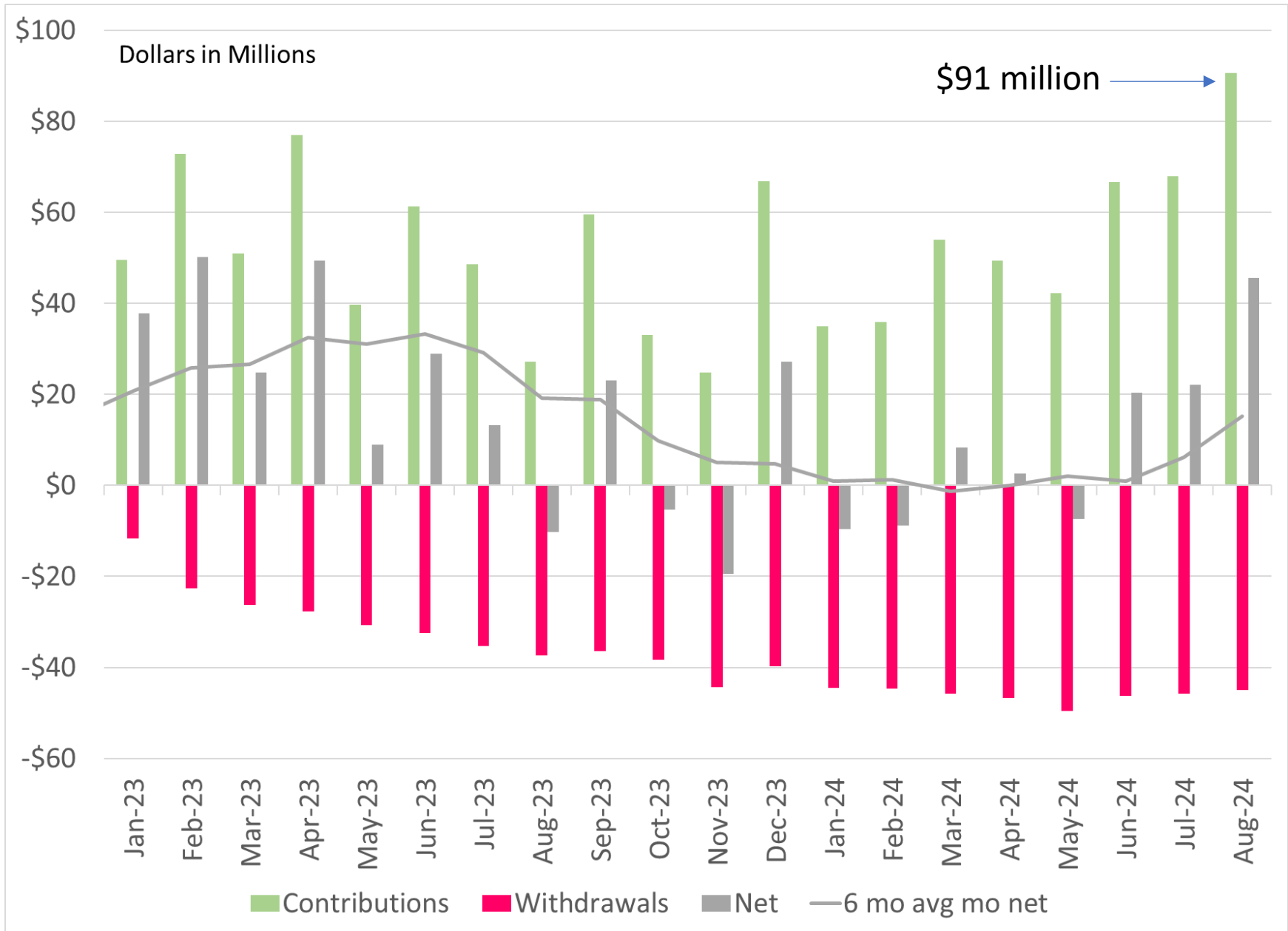
<b>Date</b>	<b>Account</b>	<b>Flow \$ mil</b>	<b>Trading Cost \$</b>	<b>Note</b>
31-Jul	EME	-100	-2,469	1
31-Jul	EME ex China	+100	-56,387	1
30-Aug	EME	-82	0	1
30-Aug	EME ex China	+82	-77,802	1
3-Sep	WCM	+10	0	
3-Sep	Aristotle	+10	0	
3-Sep	IPOPIF Cash	-20	0	

Note 1 - SSGA adjusts the value of cash flows to neutralize the impact on other investors. The "market effect" can be positive or negative.

# Asset Allocation 9/4/24

Account	Current		Target		Variance		
	\$M	%	\$M	%	\$M	%F	%vs tgt
<b>Growth</b>	<b>6,290</b>	<b>57.5%</b>	<b>6,348</b>	<b>58.0%</b>	<b>(57)</b>	<b>-0.5%</b>	<b>-0.9%</b>
RhumbLine US Large	2,458	22.5%	2,517	23.0%	(59)	-0.5%	-2.4%
RhumbLine US Small	549	5.0%	547	5.0%	1	0.0%	0.2%
SSGA Non-US Developed	2,094	19.1%	2,079	19.0%	15	0.1%	0.7%
Intl. Small Cap (3 mgrs)	544	5.0%	547	5.0%	(3)	0.0%	-0.6%
Acadian	276	2.5%	274	2.5%	2	0.0%	0.9%
LSV (1 day lag)	133	1.2%	137	1.25%	(4)	0.0%	-2.8%
WCM (monthly)	135	1.2%	137	1.25%	(2)	0.0%	-1.5%
EM Equity	646	6.0%	657	6.0%	(11)	0.0%	-1.6%
SSGA EM Equity ex China	488	4.5%	438	4.0%	50	0.5%	11.4%
SSGA EM Equity	158	1.4%	219	2.0%	(61)	-0.6%	-27.6%
<b>Income</b>	<b>1,725</b>	<b>15.8%</b>	<b>1,751</b>	<b>16.0%</b>	<b>(26)</b>	<b>-0.2%</b>	<b>-1.5%</b>
SSGA High Yield	754	6.9%	766	7.0%	(12)	-0.1%	-1.5%
SSGA EM Debt	652	6.0%	657	6.0%	(5)	0.0%	-0.7%
Bank Loans (2 mgrs)	319	2.9%	328	3.0%	(9)	-0.1%	-2.8%
Ares (monthly)	103	0.9%	109	1.0%	(6)	-0.1%	-5.6%
Aristotle (monthly)	216	2.0%	219	2.0%	(3)	0.0%	-1.4%
<b>Real Assets</b>	<b>637</b>	<b>5.8%</b>	<b>657</b>	<b>6.0%</b>	<b>(20)</b>	<b>-0.2%</b>	<b>-3.0%</b>
SSGA REITS	479	4.4%	438	4.0%	41	0.4%	9.4%
PRINCIPAL USPA	158	1.4%	219	2.0%	(61)	-0.6%	-27.7%
<b>Risk Mitigation</b>	<b>2,291</b>	<b>20.9%</b>	<b>2,189</b>	<b>20.0%</b>	<b>102</b>	<b>0.9%</b>	<b>4.7%</b>
Cash Accounts	212	1.9%	109	1.0%	103	0.9%	93.9%
SSGA ST GOV-CREDIT	1,075	9.8%	1,094	10.0%	(20)	-0.2%	-1.8%
SSGA TIPS	320	2.9%	328	3.0%	(8)	-0.1%	-2.4%
SSGA US TREASURY	327	3.0%	328	3.0%	(1)	0.0%	-0.4%
SSGA CORE BONDS	357	3.3%	328	3.0%	29	0.3%	8.7%
Transition account	0.104	0.0%	-	0.0%	0	0.0%	
<b>Total Investment Pool</b>	<b>10,944</b>	<b>100.0%</b>	<b>10,944</b>	<b>100.0%</b>	<b>(0)</b>	<b>0.0%</b>	<b>0.0%</b>

# Monthly Participant Fund Cash Flow



# Current Searches

- The Emerging Market Debt (EMD) manager search was initiated on 3/11/24 and is nearing completion, on schedule. Finalist Board interviews and selection are planned for this Board meeting (9/13/24).
- The Emerging Market Equity (EME) ex China manager search was initiated on 6/14/24 and is proceeding on plan. Proposals were due by 8/16/24 and are currently being evaluated by staff and Verus. Finalist interviews and selection are targeted for the 10/18/24 Board meeting.
- The Private Credit Manager search was initiated on 7/19/24 and is proceeding on plan. The Phase I evaluation has been completed and Phase 2 submissions are due by 9/6/24. Final proposals (Phase 3) are due by 10/11/24. Finalist interviews and selection are targeted for the 12/13/24 Board meeting.

# Looking forward

- September 2024
  - EMD finalist interviews and selection
  - Private markets consultant search request
  - Real Estate/Principal US Property review
- October 2024
  - EME ex China finalist interviews selection
- December 2024
  - Private credit finalist interviews and selection
  - US Small Cap search request
  - Custodian review
- January 2025
  - IPS and SAA review
  - Private markets consultant selection
- High Yield Search Request
- March 2025
  - IPS and SAA adoption
  - International small cap manager reviews
  - Consultant review
- April 2025
  - Bank loan manager reviews
  - Private market strategic implementation plan
- June 2025
  - US Small cap finalist interviews and selection
  - Passive manager reviews
- Mid-Late 2025
  - Private equity search
  - Real Estate Search
  - Infrastructure Search

For discussion and planning purposes. Subject to revision.

# October 1 Transition Status

- 18 funds on track for transfer.
- Asset certification process is underway.
- Certified investment asset list (CIAL) to be delivered on 9/13/24. Version 2 will be delivered on 9/20/24, if changes are observed by CPAs
- Preliminary transfer list includes 2,100 line items valued at \$1.25 billion.
- Excellent support and engagement from incoming funds.
- IPOPIF and DOI are evaluating special situations to identify a path forward.

PPF Fund Name	AUM \$	AUM date
ARLINGTON HEIGHTS	178,404,689.90	12/31/23
AURORA	313,933,932.82	12/31/23
CHAMPAIGN	152,642,496.73	6/30/23
CHICAGO HEIGHTS	55,202,969.51	4/30/23
CHICAGO RIDGE	31,214,363.16	12/31/23
DEKALB	49,828,233.14	12/31/23
EAST ST LOUIS	21,333,132.25	12/31/23
ELGIN	171,574,063.44	12/31/23
ELMHURST	80,898,927.35	12/31/23
EVANSTON	175,754,505.94	12/31/23
FAIRVIEW HEIGHTS	35,764,565.38	4/30/23
MARYVILLE	5,425,545.29	4/30/23
MOKENA	27,818,580.70	6/30/23
PALOS HEIGHTS	32,681,848.33	12/31/23
RANTOUL	33,856,979.42	4/30/23
VILLA PARK	37,909,632.47	12/31/23
WOOD DALE	30,278,703.62	4/30/23
WOODRIDGE	55,499,334.38	12/31/23
<b>Special Situations</b>		
SOUTH CHICAGO HEIGHTS	3,618,616.86	12/31/23
STONE PARK	4,075,735.86	4/30/23
MONTICELLO	2,006,921.93	12/31/22
ROBBINS	247,002.00	4/30/16
VENICE	614,381.77	4/30/23
WASHINGTON PARK	620,451.89	4/30/23



## **MEMORANDUM**

DATE: September 4, 2024  
TO: IPOPf Board of Trustees  
FROM: IPOPf Investment Staff  
SUBJECT: Principal USPA Review Scheduled for September 13, 2024

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In support of Board monitoring of IPOPf investments, Staff presents a review of the Principal U.S. Property Account (USPA). Representing Principal are Paul Stover, Managing Director, Relationship Management, Darren Kleis, Managing Director, Portfolio Management, and Kyle Elfers, Managing Director, Portfolio management. A presentation is attached.

### **Investment Summary**

Principal U.S. Property Account (USPA) is an open-ended private core real estate strategy, which invests across four major sectors: Industrial, Office, Retail, and Residential. Key strategy guidelines are as follows: utilization of low level of leverage (less than 35%), diversification in sector and geography, investments in established properties (at least 75% or more leased) with limited exposure to development projects, and investments in the aforementioned four sectors (no less than 80%). This investment was held in 25 article 3 funds and was accepted as a transferrable asset as recommended by staff and Verus and approved the Board.

IPOPf's interim target for Private Real Estate is 2%, representing the USPA investment. The account was valued at \$158 million as of August 31, equating to a portfolio weight of 1.4%. Additional exposure of approximately \$55 million is expected to transfer with the October transition tranche.

### **Performance Summary**

Private real estate has suffered from the combined challenges of significantly lower demand for office space and higher interest rates. IPOPf's USPA investment is down -7.4% (time weighted) since our first transfer receipt in April 2022. This is in line with the strategy benchmark, which is down -7.5% over the same time period.

Depreciation appears to have slowed significantly following six consecutive quarters of write-downs, and fundamentals continue to improve with consistent NOI (net operating income) growth and strong tenant retention. Recently, we have seen a rebound in REITs which may indicate a potential turnaround in the market and buying opportunity for investors.



**Liquidity**

The fund is designed to provide daily liquidity for modest flow but has the ability to restrict cash flows to protect fund investors. The fund initiated restrictions on contributions and withdrawals in July of 2022. The withdrawal queue of \$1.3 million is significant, equating to approximately 16% of the \$8.3 billion Net Asset Value of the fund. Redemptions will be honored on a pro-rata basis through property disposition at fair values. The fund has experienced this dynamic on two prior occasions and actual withdrawals were significantly mitigated as investors maintained their positions as valuations stabilized. There is a contribution queue of \$406 million to be used for buying opportunities.

**Conclusion**

Staff have been monitoring Principal closely and retains high conviction and the investment and the portfolio team. The portfolio continues to focus on growth markets (areas of population growth and job creation) and alternative property subsectors such as student housing, life science, data centers, self-storage, etc. USPA projects strong NOI growth, occupancy, and leasing activity within their properties and plans to take offensive position to acquire properties.



# Illinois Police Officers' Pension Investment Fund

## **Emerging Market Debt Investment Manager Selection September 13, 2024**

Following a robust search process, IPOPIF investment staff and consultant are recommending an emerging market debt manager for selection by the IPOPIF Board of Trustees.



**Illinois Police Officers'  
Pension Investment Fund**

Peoria, IL  
[www.ipopif.org](http://www.ipopif.org)

## **MEMORANDUM**

DATE: August 30, 2024  
TO: IPOPf Board of Trustees  
FROM: Steve Yoon, Investment Officer  
SUBJECT: Emerging Markets Debt RFP – Finals Interview Schedule and Agenda  
for September 13, 2024

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Following is the interview schedule for Emerging Markets Debt final candidates and the recommended agenda suggested to the managers.

### ***Finals Interview Schedule***

<b>Manager</b>	<b>Time</b>
Capital Group	10:00 – 10:25 AM CT
MetLife Investment Management	10:30 – 10:55 AM CT
Payden & Rygel	10:55 – 11:25 AM CT

### ***Finals interview recommended agenda***

Introductions: Presenters, People, and Organization – 2 minutes  
Investment Philosophy, Process, Performance – 18 minutes  
Q&A – 5 minutes



August 2024

Emerging Markets Debt Search

**Illinois Police Officers' Pension Investment Fund**

# Manager overview

# Manager comparison

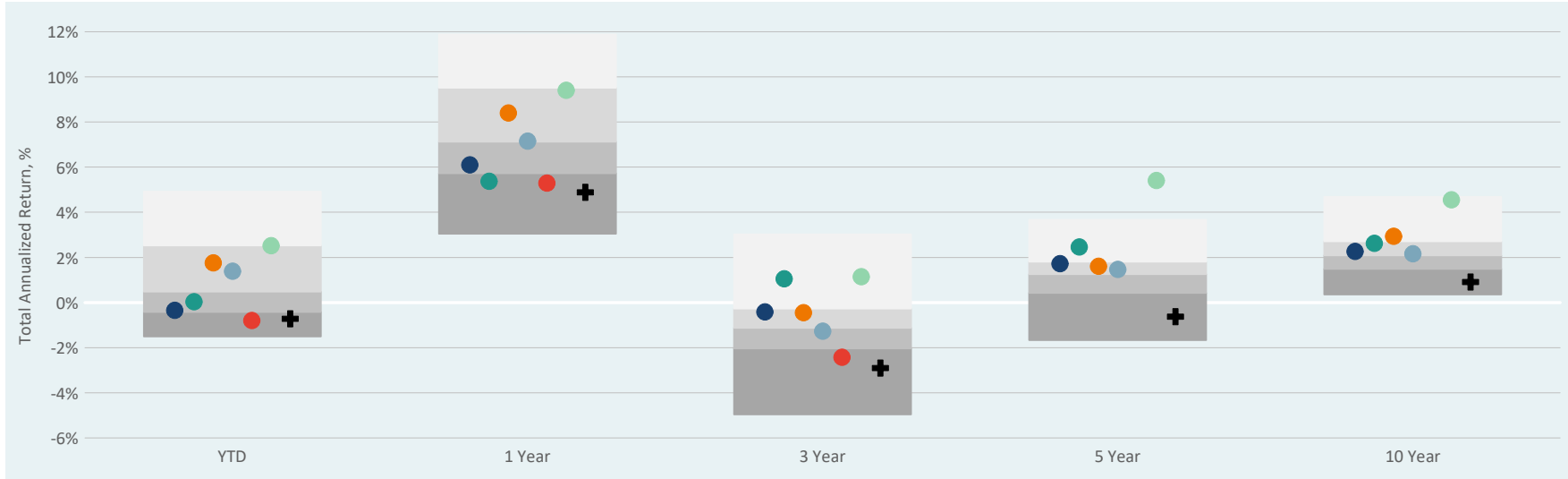
	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	RBC
FIRM OWNERSHIP	100% employee owned	Wholly owned subsidiary of Goldman Sachs Group, Inc	100% owned by Fortress Investment Group	71% publicly held 29% employee owned	100% employee owned	100% parent owned by Royal Bank of Canada
FIRM NAME	Capital Group	Goldman Sachs Asset Management	MetLife Investment Management	Ninety One	Payden & Rygel	RBC Global Asset Management
PRODUCT NAME	Emerging Markets Debt (Blend)	Global Emerging Market External Local and Corporate Blended Debt	Emerging Market Debt Blend	Ninety One Emerging Markets Blended Debt	Emerging Markets Blended CIT	BlueBay Emerging Market Unconstrained Strategy
FIRM TOTAL AUM (\$MM)	\$2,700,023	\$2,568,538	\$593,700	\$159,202	\$160,211	\$453,449
STRATEGY AUM (\$MM)	\$7,593	\$7,962	\$2,394	\$3,744	\$3,382	\$734
INCEPTION DATE	Feb-95	Apr-13	Nov-06	Dec-10	Dec-20	Jul-10
BENCHMARK	50% JPM EMBI Global Div/50% JPM GBI-EM Global Div	50% GBI-EM Global Div 25% EMBI Global Div 25% CEMBI	33% JPM EMBI GI/33% GBI EM GI Dv/33% CEMBI Brd Div	50% JPM GBI-EM GD/25%EMBI GD/25% CEMBI BD	70-30 EMBI GD/GBI EM GD Benchmark	50% JPM EMBI Global Div & 50% JPM GBI-EM Global Div
INVESTMENT APPROACH	Fundamental	Fundamental	Fundamental	Combined	Combined	Fundamental
SCREENING APPROACH	Combined	Combined	Bottom-Up	Combined	Combined	Combined

# Performance Analysis

# Performance comparison - as of June 2024

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC + JPM GBI-EMBI Blend

## PERFORMANCE TO DATE



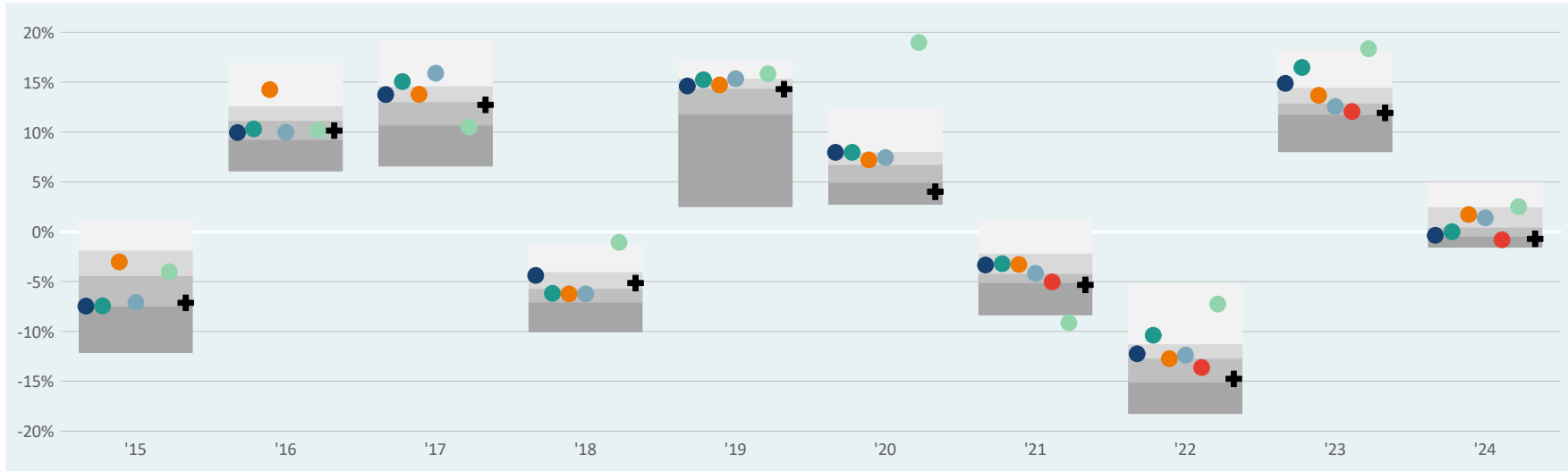
EXCESS ANNUALIZED RETURN TO DATE, %	YTD	1 Year	3 Year	5 Year	10 Year
Capital Group	0.4	1.2	2.5	2.4	1.4
GSAM	0.8	0.5	4.0	3.1	1.7
MetLife	2.5	3.5	2.5	2.2	2.0
Ninety One	2.1	2.3	1.6	2.1	1.3
Payden & Rygel	-0.1	0.4	0.5	---	---
RBC	3.2	4.5	4.1	6.0	3.7



# Calendar year performance - as of June 2024

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC + JPM GBI-EMBI Blend

## ANNUAL PERFORMANCE



ANNUAL PERFORMANCE + RANKING	2016	2017	2018	2019	2020	2021	2022	2023	2024 (YTD)
Capital Group	10.0	13.8	-4.4	14.6	8.0	-3.3	-12.2	14.9	-0.3
Rank	70	45	28	45	28	39	41	22	73
GSAM	10.3	15.1	-6.2	15.3	8.0	-3.2	-10.4	16.5	0.0
Rank	60	18	55	27	29	38	23	10	64
MetLife	14.3	13.8	-6.2	14.8	7.2	-3.3	-12.7	13.7	1.8
Rank	13	44	59	41	40	38	51	36	36
Ninety One	10.0	15.9	-6.2	15.4	7.5	-4.1	-12.3	12.6	1.4
Rank	69	11	60	25	38	51	44	62	39
Payden & Rygel						-5.0	-13.6	12.1	-0.8
Rank						72	59	69	81
RBC	10.2	10.5	-1.1	15.9	19.0	-9.1	-7.2	18.4	2.5
Rank	65	79	4	21	0	97	10	3	25
JPM GBI-EMBI Blend	10.2	12.7	-5.2	14.3	4.0	-5.3	-14.8	11.9	-0.7
Rank	66	57	41	52	88	78	72	70	80



Index: 50%JPM GBI-EM GD and 50%JPM EMBI GD Returns: Gross of Fees  
 Data Source: eVestment Universe: eA Emerging Mkts Fixed Income - Blended

IPOPIF  
 August 2024

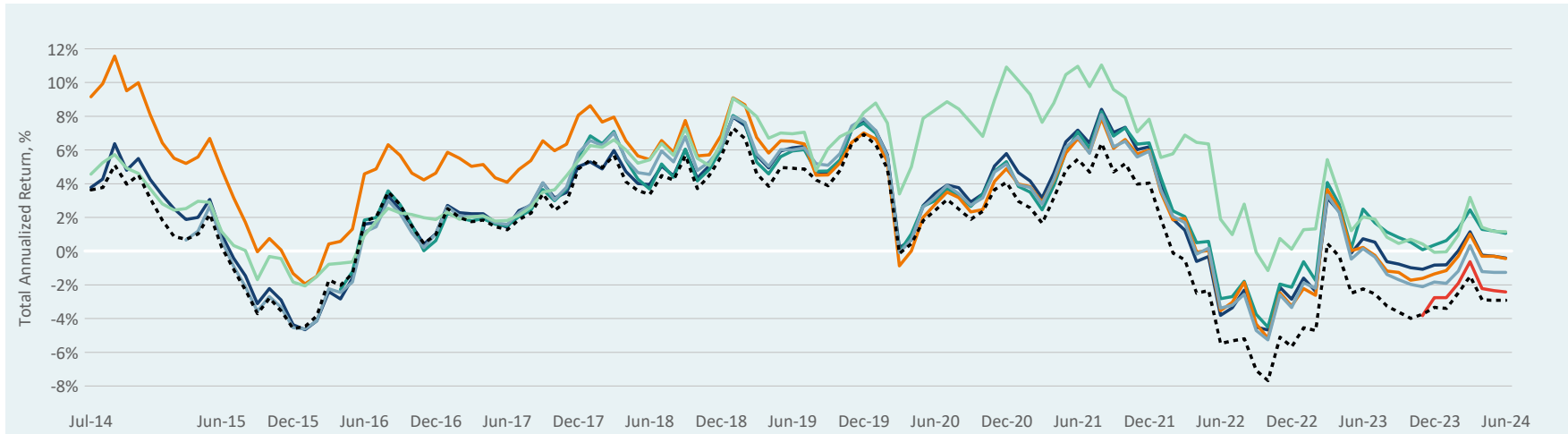
# Performance summary - as of June 2024

	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	RBC	JPM GBI-EMBI Blend
<b>PERFORMANCE ANALYSIS - (3 Years)</b>							
Alpha %	3.0	3.8	2.6	1.7	1.2	3.0	0.0
Beta	1.1	1.0	1.0	1.0	1.1	0.8	1.0
R-squared %	96.6	83.3	96.1	97.2	97.5	60.5	100.0
Sharpe Ratio	-0.3	-0.2	-0.3	-0.4	-0.5	-0.2	-0.6
Treynor Ratio	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Tracking Error %	2.2	4.4	2.1	1.7	2.1	6.9	0.0
Annualized Std Dev %	11.3	11.0	10.8	10.6	11.6	10.7	10.4
Information Ratio	1.2	0.9	1.2	1.0	0.3	0.6	---
Max Drawdown %	-22.8	-20.0	-23.3	-23.5	-25.2	-20.1	-24.9
Calmar Ratio	0.0	0.1	0.0	-0.1	-0.1	0.1	-0.1
Excess Ann. Return %	2.5	4.0	2.5	1.6	0.5	4.1	0.0
<b>PERFORMANCE TO DATE</b>							
1 Year	6.1	5.4	8.4	7.2	5.3	9.4	4.9
3 Year	-0.4	1.1	-0.4	-1.3	-2.4	1.2	-2.9
5 Year	1.7	2.5	1.6	1.5	---	5.4	-0.6
7 Year	2.6	3.1	2.5	2.4	---	5.8	0.7
10 Year	2.3	2.6	2.9	2.2	---	4.6	0.9
Common Inception (Dec-20)	0.1	1.2	0.3	-0.3	-2.2	2.3	-2.3
<b>CALENDAR YEAR RETURNS</b>							
2023	14.9	16.5	13.7	12.6	12.1	18.4	11.9
2022	-12.2	-10.4	-12.7	-12.3	-13.6	-7.2	-14.8
2021	-3.3	-3.2	-3.3	-4.1	-5.0	-9.1	-5.3
2020	8.0	8.0	7.2	7.5	---	19.0	4.0
2019	14.6	15.3	14.8	15.4	---	15.9	14.3
2018	-4.4	-6.2	-6.2	-6.2	---	-1.1	-5.2
2017	13.8	15.1	13.8	15.9	---	10.5	12.7
2016	10.0	10.3	14.3	10.0	---	10.2	10.2
2015	-7.4	-7.4	-3.0	-7.1	---	-4.0	-7.1
2014	1.3	-0.2	3.3	0.9	---	-0.1	0.7

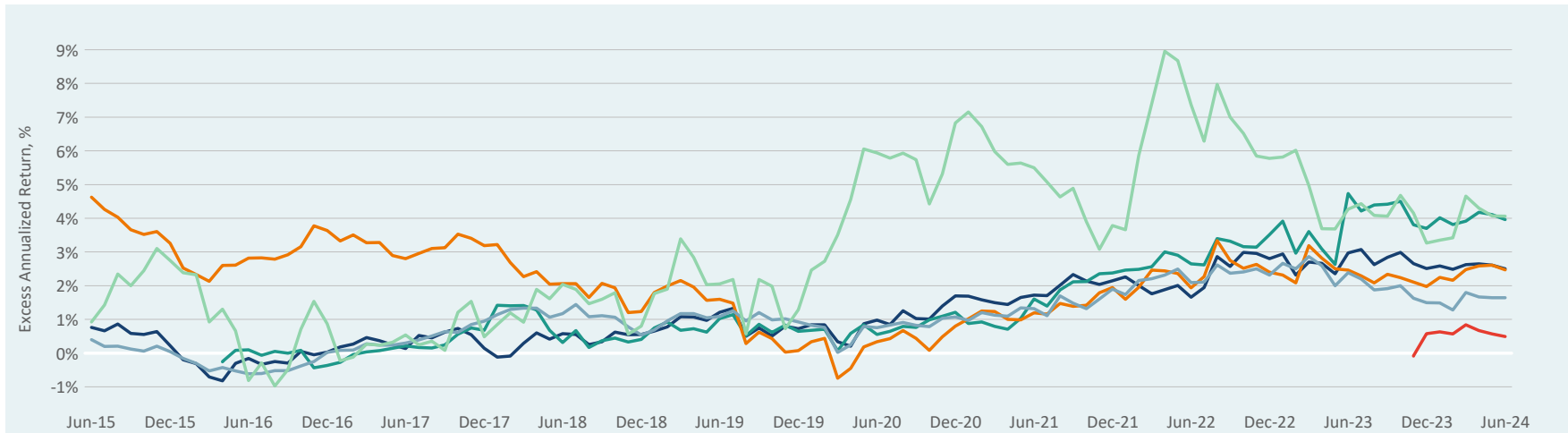
# Rolling performance - as of June 2024

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

## TOTAL 36 MONTH ROLLING PERFORMANCE



## EXCESS 36 MONTH ROLLING PERFORMANCE

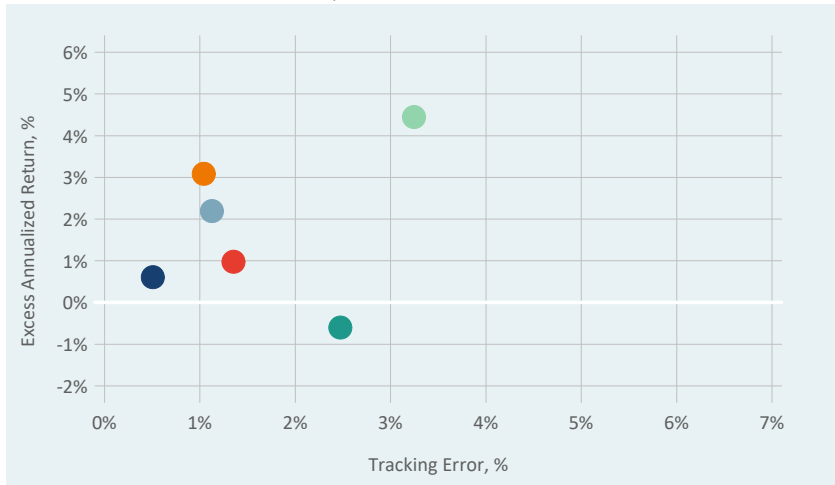


Index: 50%JPM GBI-EM GD and 50%JPM EMBI GD Returns: Gross of Fees  
 Data Source: eVestment Universe: eA Emerging Mkts Fixed Income - Blended

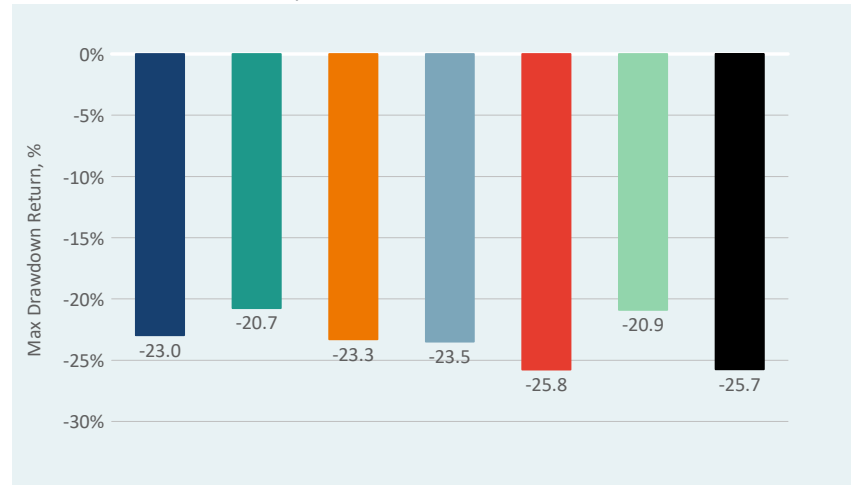
# Performance statistics - as of June 2024

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

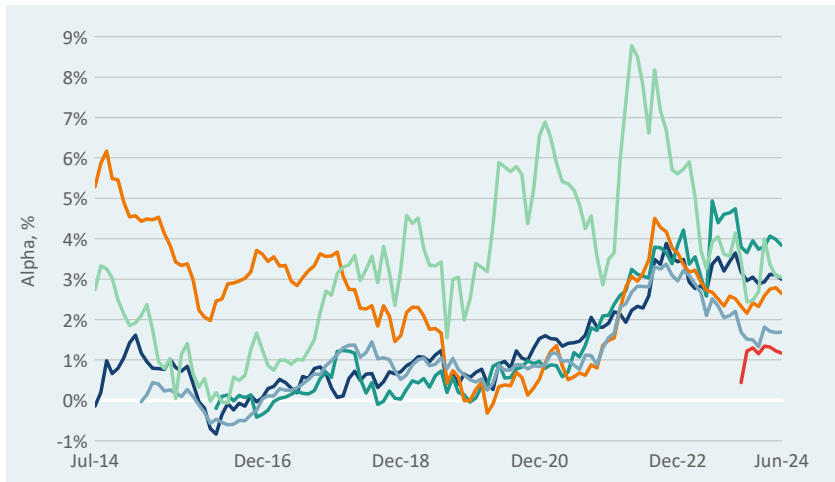
EXCESS PERFORMANCE VS. RISK, NOV-23 TO JUN-24



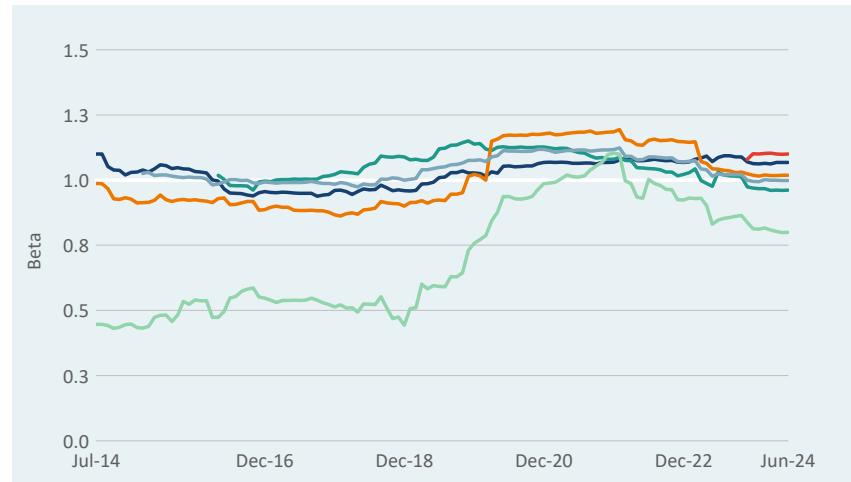
MAX DRAWDOWN RETURN, DEC-20 TO JUN-24



36 MONTH ROLLING ALPHA



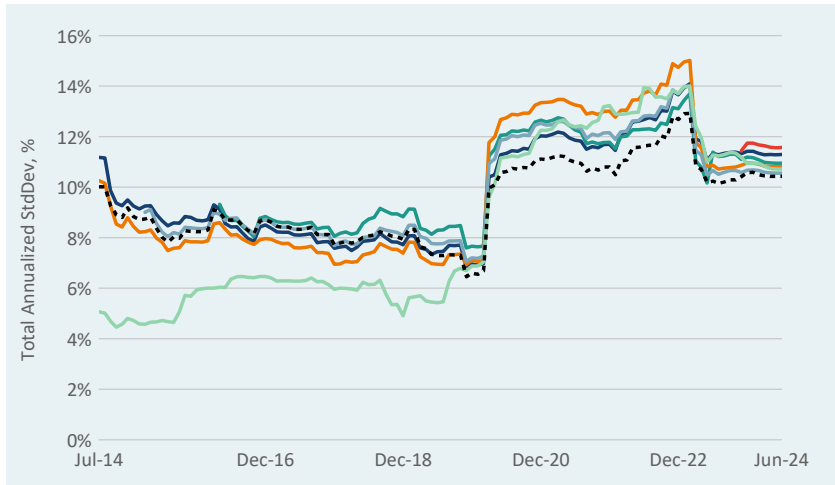
36 MONTH ROLLING BETA



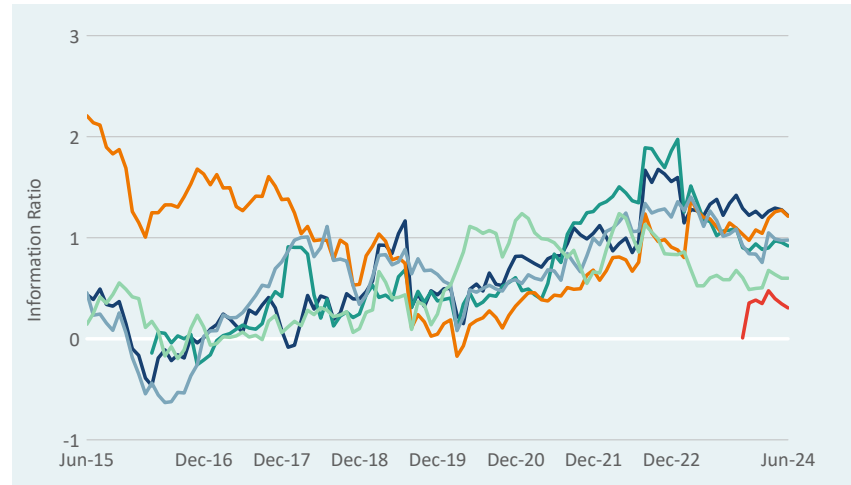
# Performance statistics - as of June 2024

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

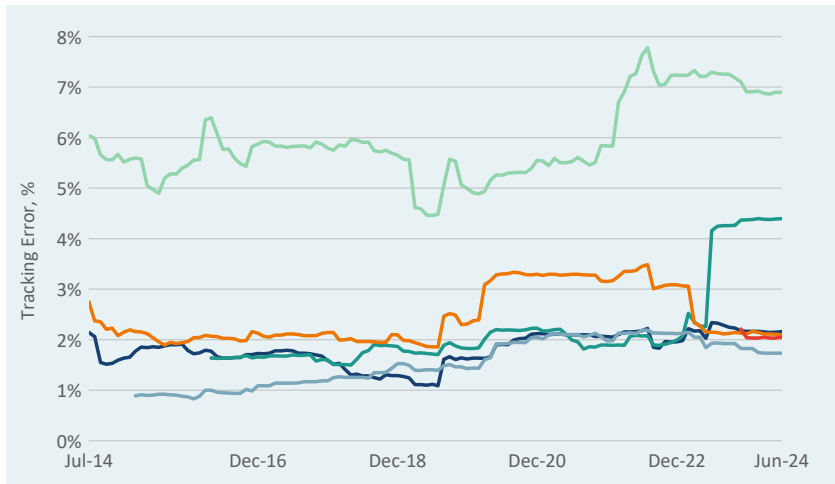
**36 MONTH ROLLING RISK**



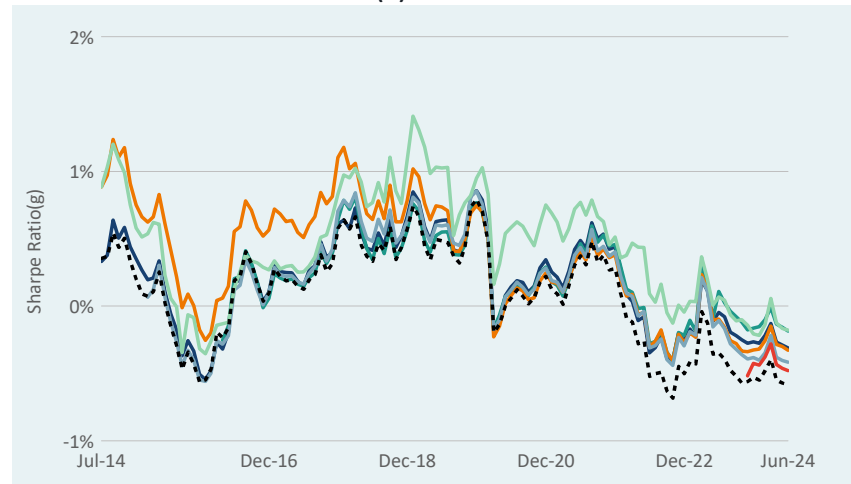
**36 MONTH ROLLING INFORMATION RATIO**



**36 MONTH ROLLING TRACKING ERROR**



**36 MONTH ROLLING SHARPE RATIO(G)**

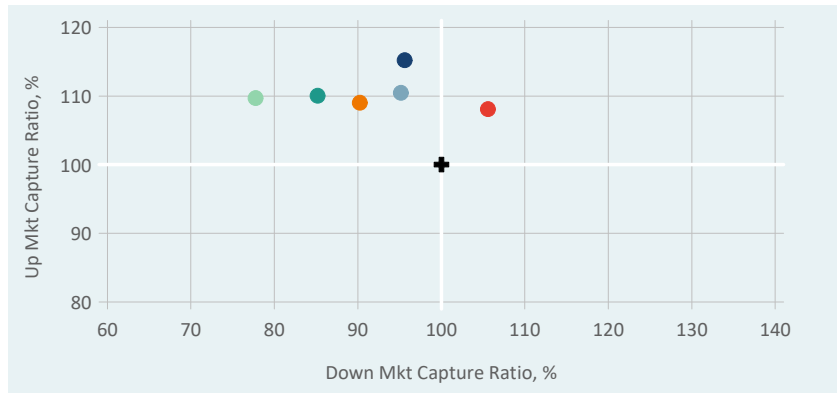


# Style Analysis and Portfolio Analytics

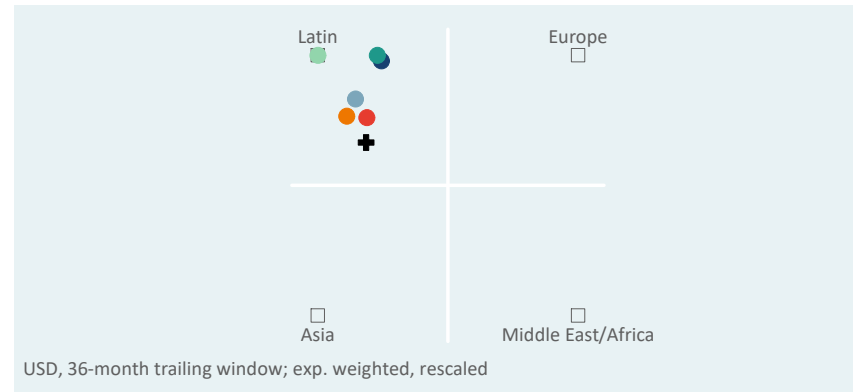
# Style and portfolio comparison

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC + JPM GBI-EMBI Blend

UP/DOWN MARKET CAPTURE, DEC-20 TO JUN-24



EMD REGION, NOV-23 TO JUN-24



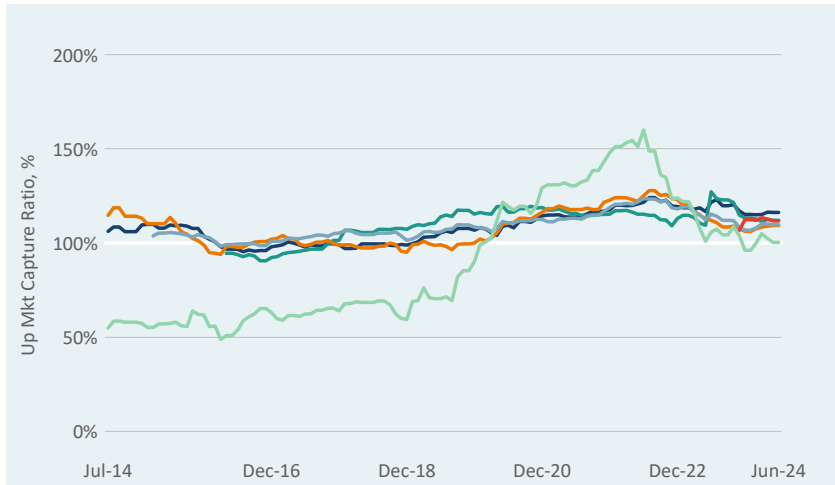
USD, 36-month trailing window; exp. weighted, rescaled

	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	RBC
ANNUAL TURNOVER	---	---	---	---	---	229.0%
YIELD TO MATURITY	8.5%	7.0%	9.1%	8.7%	9.6%	9.6%
EFFECTIVE DURATION	6.0	---	5.0	5.3	6.3	5.8
PRODUCT NO. OF ISSUES	562	203	264	228	264	67
NO. OF COUNTRIES	60	66	65	50	48	45

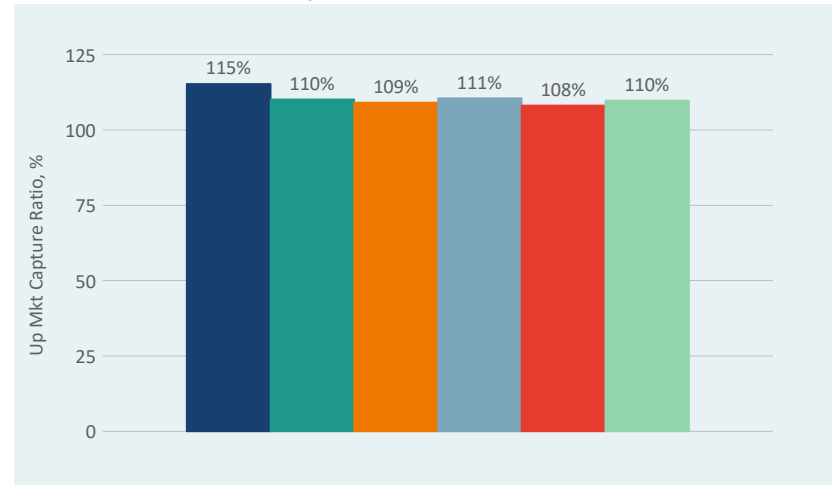
# Up & down market analysis

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

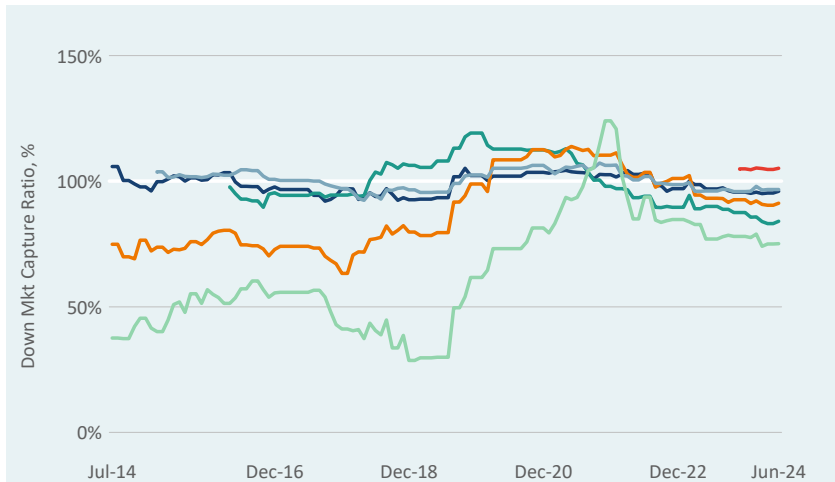
36 MONTH ROLLING UP MKT CAPTURE RATIO



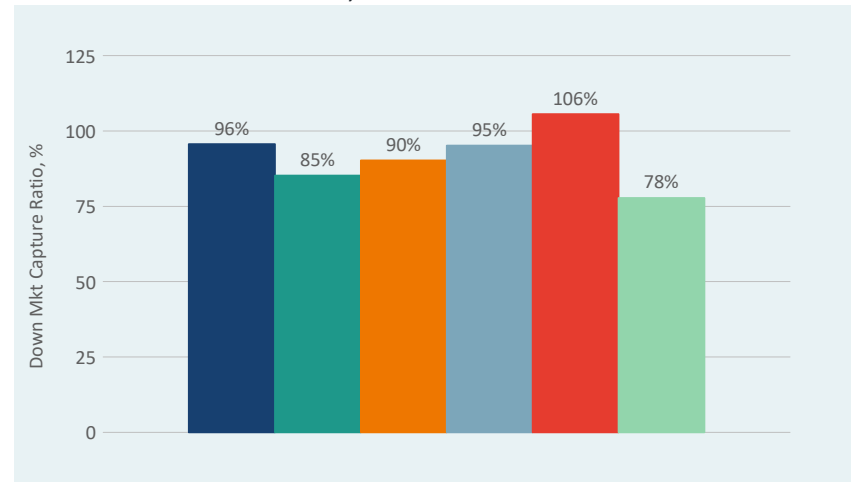
UP MARKET CAPTURE RATIO, DEC-20 TO JUN-24



36 MONTH ROLLING DOWN MKT CAPTURE RATIO



DOWN MARKET CAPTURE RATIO, DEC-20 TO JUN-24

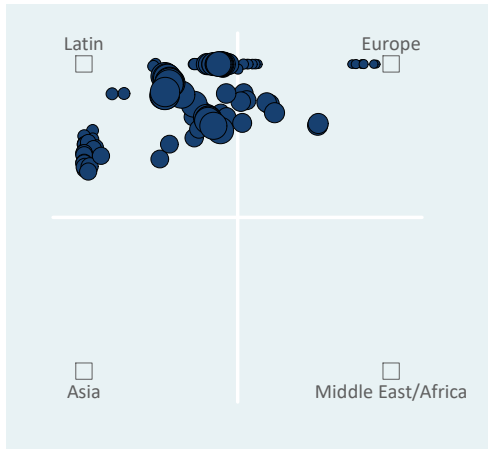




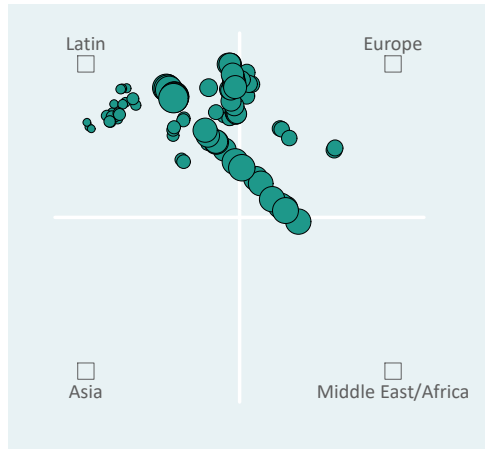
# Style analysis (EMD Region)

● Capital Group  
 ● GSAM  
 ● MetLife  
 ● Ninety One  
 ● Payden & Rygel  
 ● RBC

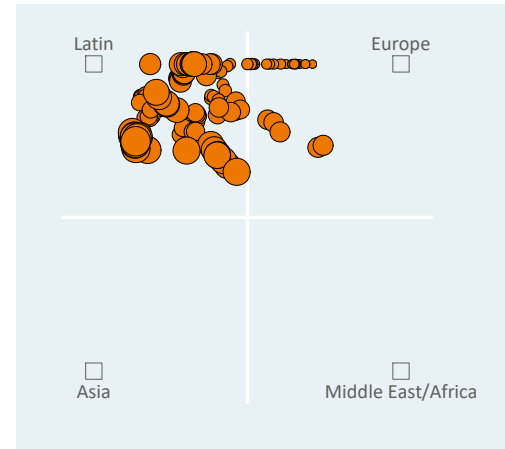
EMD REGION, JUL-12 TO JUN-24



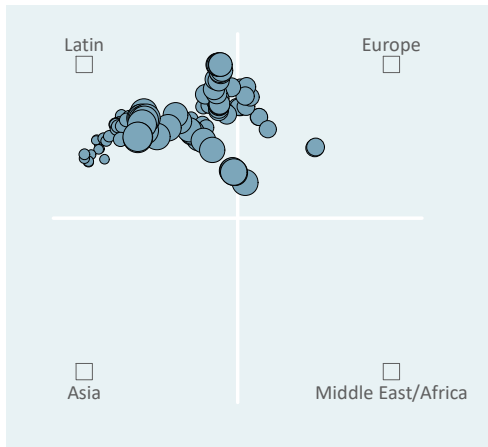
EMD REGION, APR-16 TO JUN-24



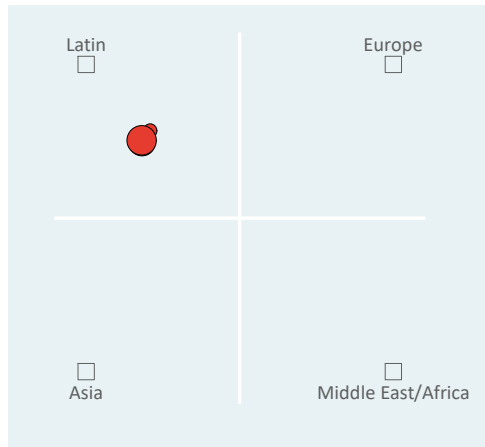
EMD REGION, JUL-12 TO JUN-24



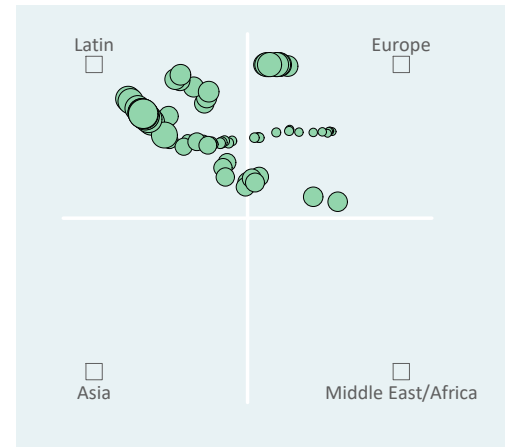
EMD REGION, MAR-15 TO JUN-24



EMD REGION, NOV-23 TO JUN-24

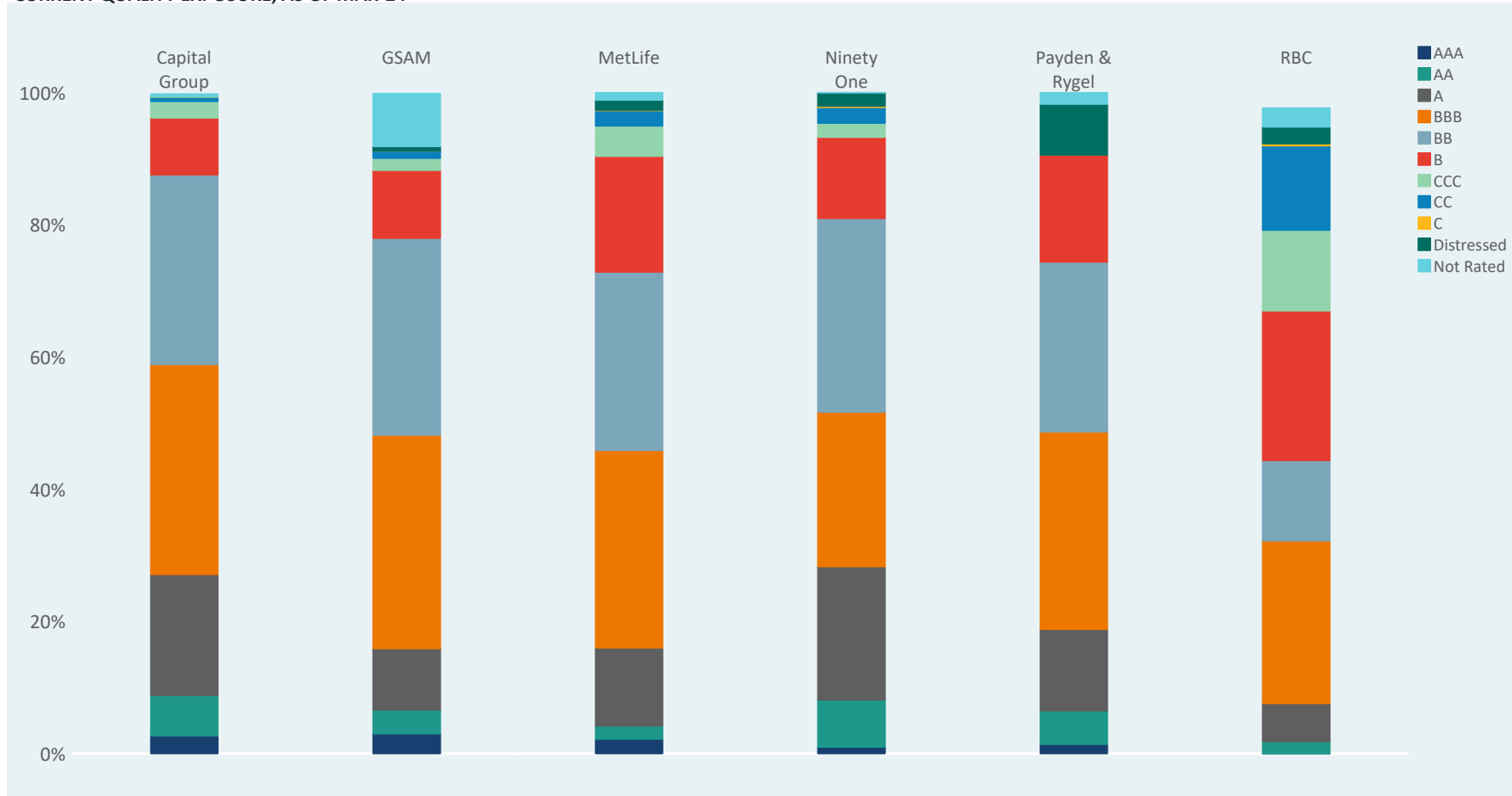


EMD REGION, JUL-13 TO JUN-24



# Fixed income quality exposure

CURRENT QUALITY EXPOSURE, AS OF MAR-24

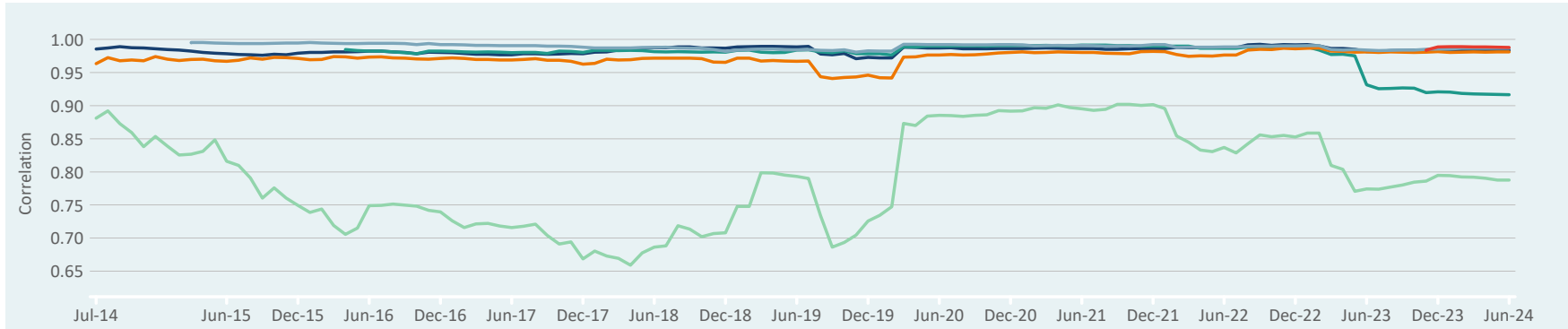


# Risk Analysis

# Correlations

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

**CORRELATION - 3 YEAR ROLLING vs. 50%JPM GBI-EM GD and 50%JPM EMBI GD**



**3 YEAR ENDING 06/2024**

	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	JPM GBI-EM Diversified	JPM GBI-EMBI Blend
Capital Group	1.00	0.95	0.97	0.98	0.98	0.79	0.98
GSAM	0.95	1.00	0.91	0.93	0.91	0.77	0.92
MetLife	0.97	0.91	1.00	0.98	0.98	0.84	0.98
Ninety One	0.98	0.93	0.98	1.00	0.99	0.84	0.99
Payden & Rygel	0.98	0.91	0.98	0.99	1.00	0.83	0.99
RBC	0.79	0.77	0.84	0.84	0.83	1.00	0.79
JPM GBI-EMBI Blend	0.98	0.92	0.98	0.99	0.99	0.79	1.00

**5 YEAR ENDING 06/2024**

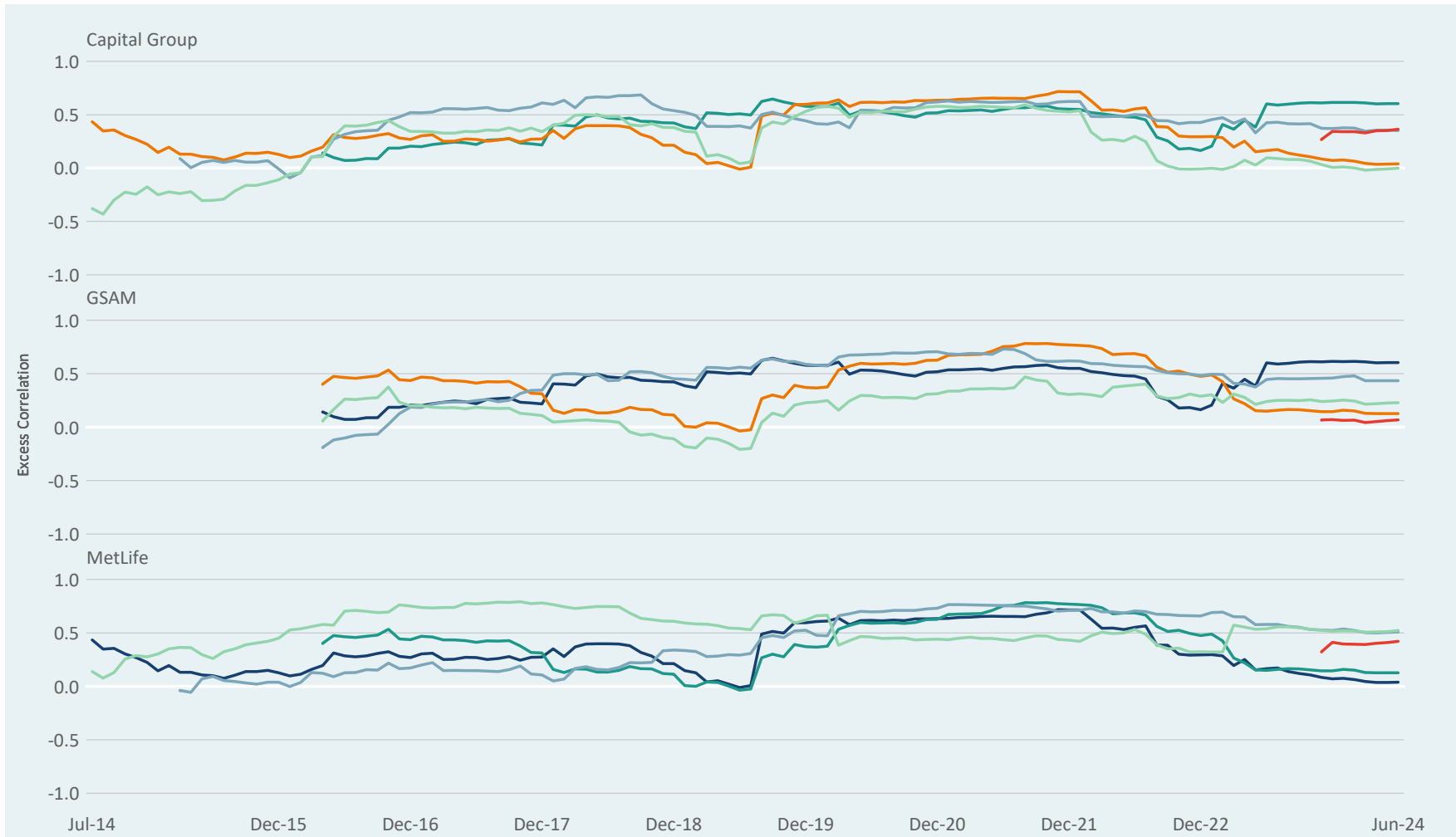
	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	JPM GBI-EM Diversified	JPM GBI-EMBI Blend
Capital Group	1.00	0.97	0.98	0.99		0.86	0.98
GSAM	0.97	1.00	0.95	0.96		0.85	0.95
MetLife	0.98	0.95	1.00	0.99		0.89	0.98
Ninety One	0.99	0.96	0.99	1.00		0.89	0.99
Payden & Rygel							
RBC	0.86	0.85	0.89	0.89		1.00	0.85
JPM GBI-EMBI Blend	0.98	0.95	0.98	0.99		0.85	1.00



# Rolling excess return correlation

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

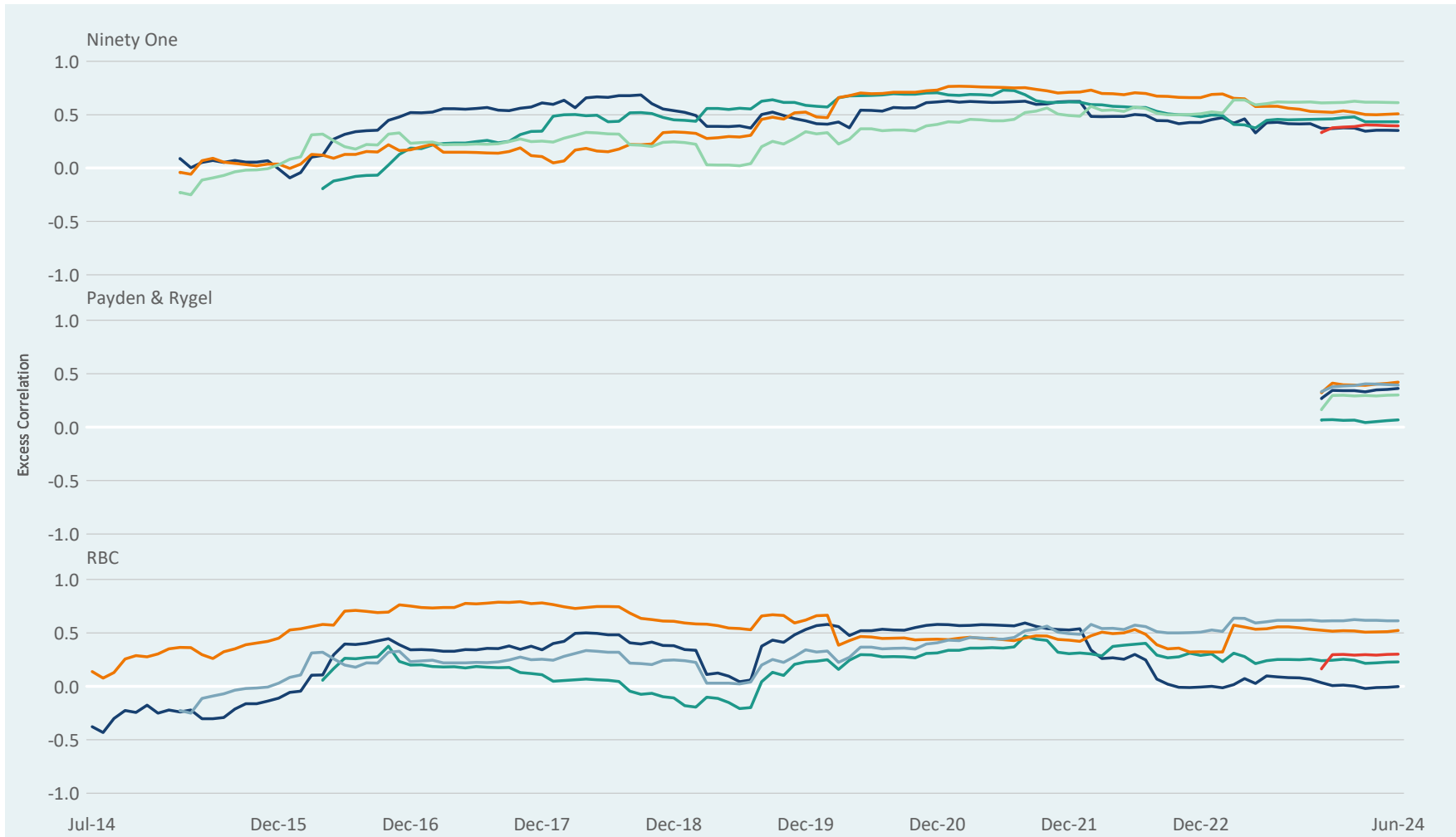
## 36 MONTH ROLLING



# Rolling excess return correlation

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

## 36 MONTH ROLLING



# Excess return correlations

## 1 YEAR ENDING 06/2024

	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	RBC
Capital Group	1.00	0.04	-0.04	0.33	0.53	0.24
GSAM	0.04	1.00	0.27	0.07	-0.53	0.15
MetLife	-0.04	0.27	1.00	0.23	-0.15	0.48
Ninety One	0.33	0.07	0.23	1.00	0.20	0.66
Payden & Rygel	0.53	-0.53	-0.15	0.20	1.00	0.37
RBC	0.24	0.15	0.48	0.66	0.37	1.00

## 3 YEAR ENDING 06/2024

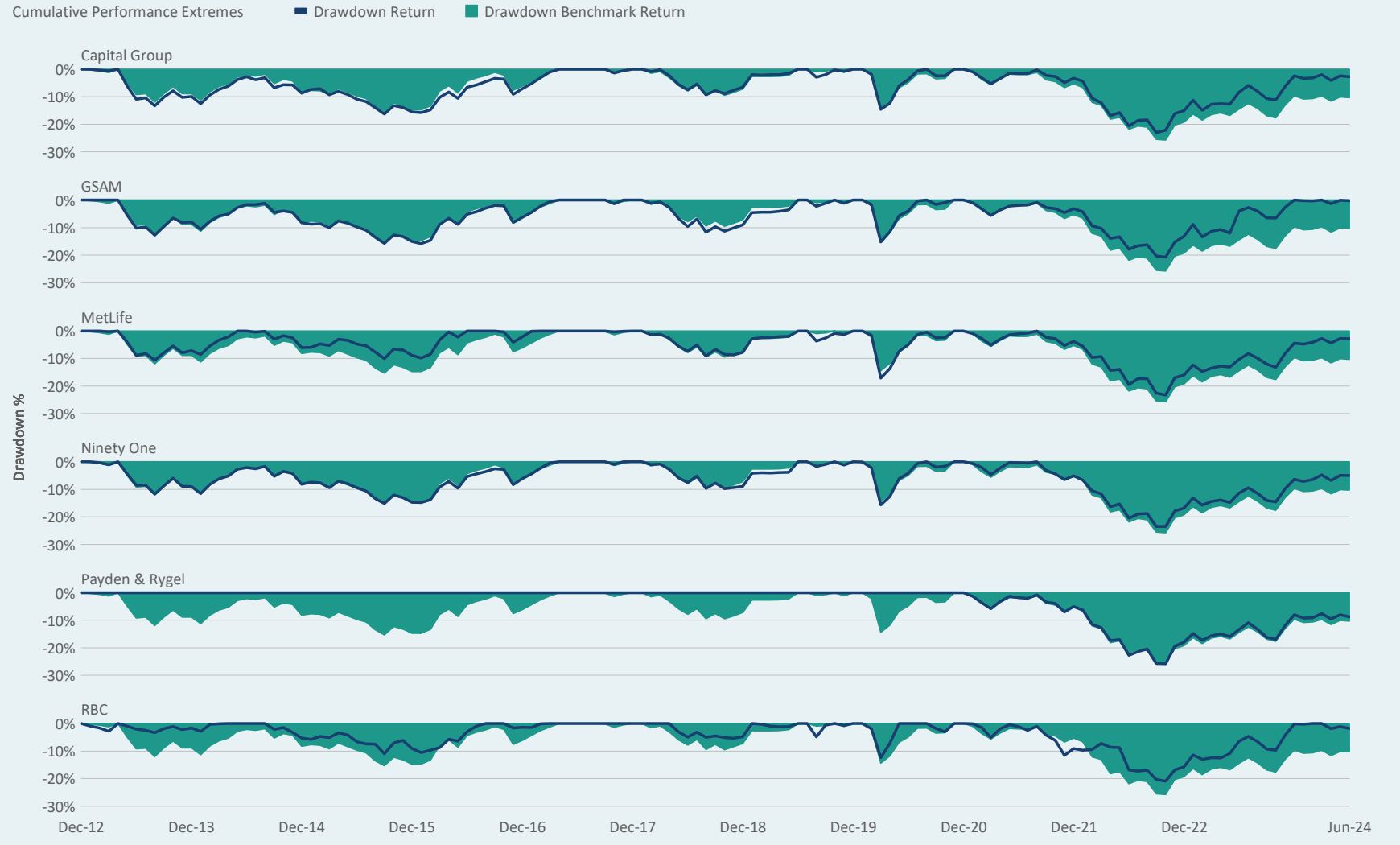
	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	RBC
Capital Group	1.00	0.60	0.04	0.35	0.36	0.00
GSAM	0.60	1.00	0.13	0.43	0.07	0.23
MetLife	0.04	0.13	1.00	0.51	0.42	0.52
Ninety One	0.35	0.43	0.51	1.00	0.39	0.61
Payden & Rygel	0.36	0.07	0.42	0.39	1.00	0.30
RBC	0.00	0.23	0.52	0.61	0.30	1.00

## 5 YEAR ENDING 06/2024

	Capital Group	GSAM	MetLife	Ninety One	Payden & Rygel	RBC
Capital Group	1.00	0.56	0.43	0.52		0.24
GSAM	0.56	1.00	0.33	0.48		0.28
MetLife	0.43	0.33	1.00	0.65		0.46
Ninety One	0.52	0.48	0.65	1.00		0.56
Payden & Rygel					1.00	
RBC	0.24	0.28	0.46	0.56		1.00

# Historical drawdowns

## CUMULATIVE PERFORMANCE EXTREMES

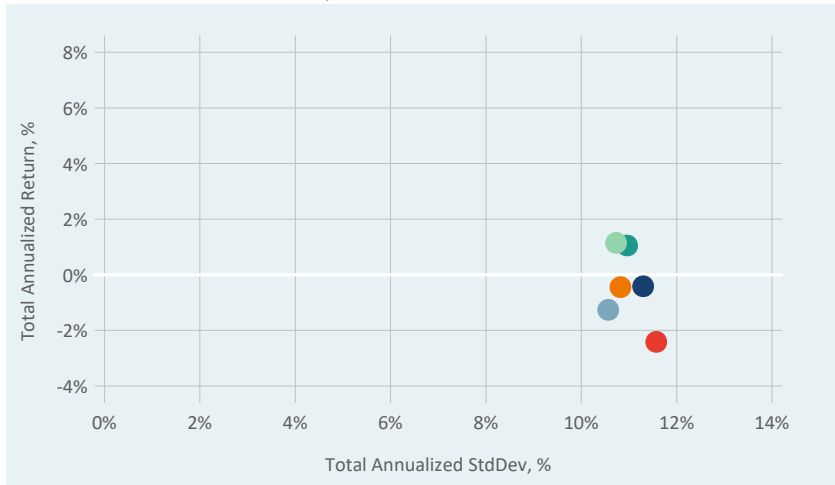




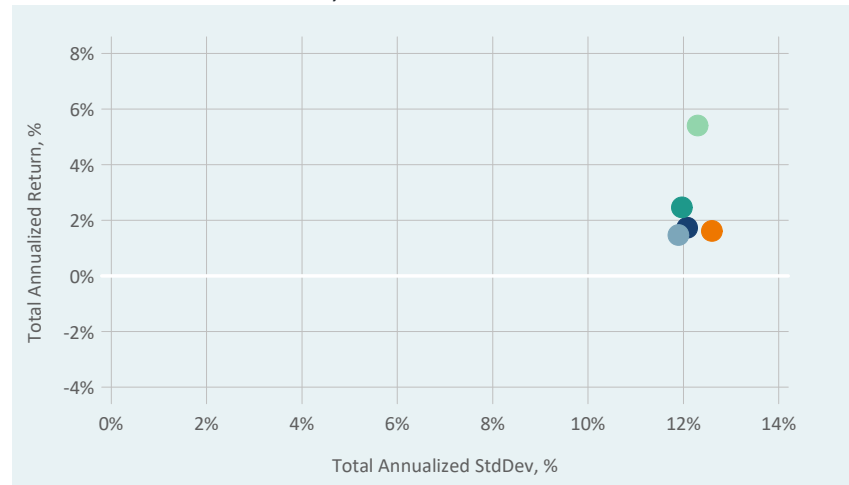
# Risk vs. return

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC

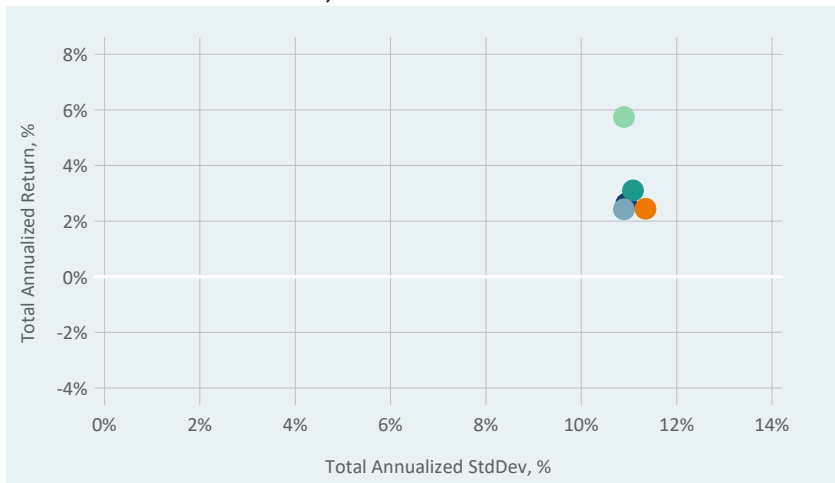
TOTAL PERFORMANCE VS. RISK, JUL-21 TO JUN-24



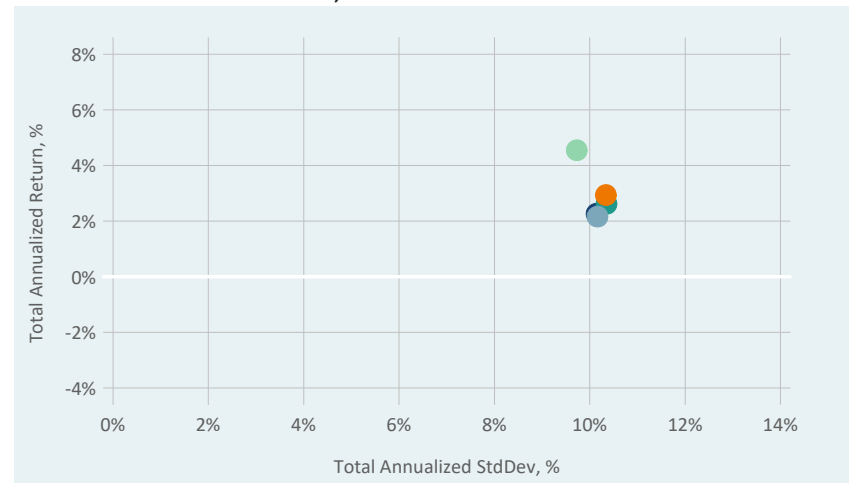
TOTAL PERFORMANCE VS. RISK, JUL-19 TO JUN-24



TOTAL PERFORMANCE VS. RISK, JUL-17 TO JUN-24



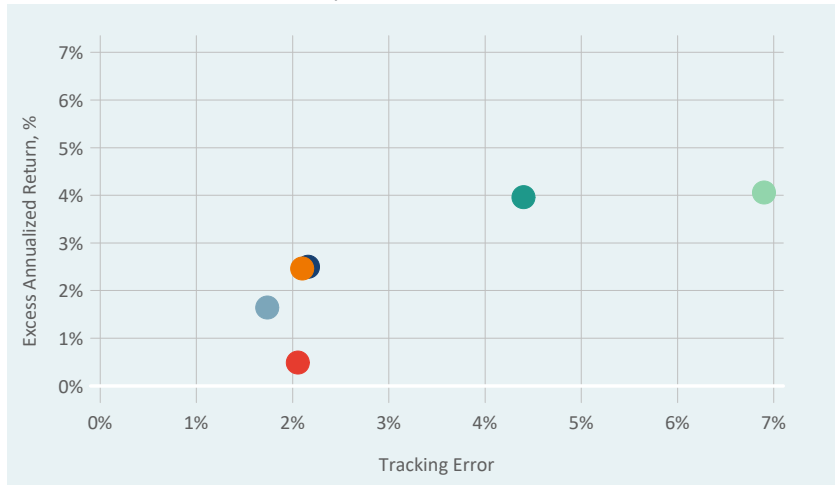
TOTAL PERFORMANCE VS. RISK, JUL-14 TO JUN-24



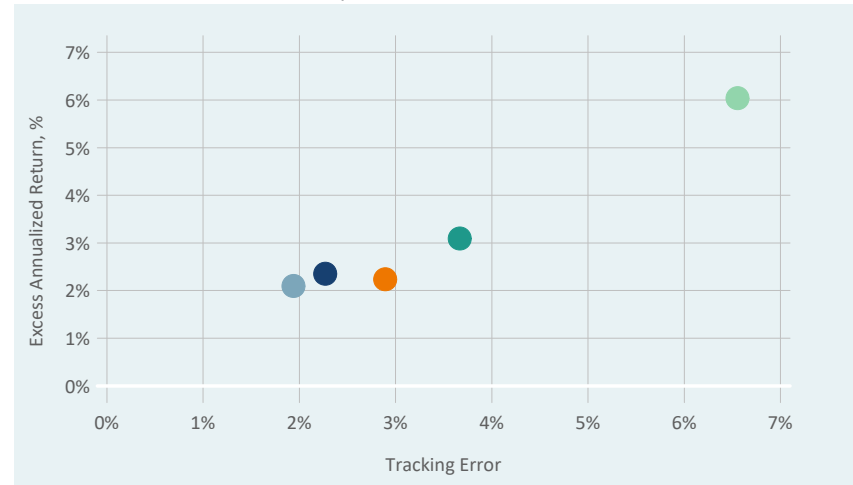
# Performance efficiency

● Capital Group ● GSAM ● MetLife ● Ninety One ● Payden & Rygel ● RBC ● JPM GBI-EMBI Blend

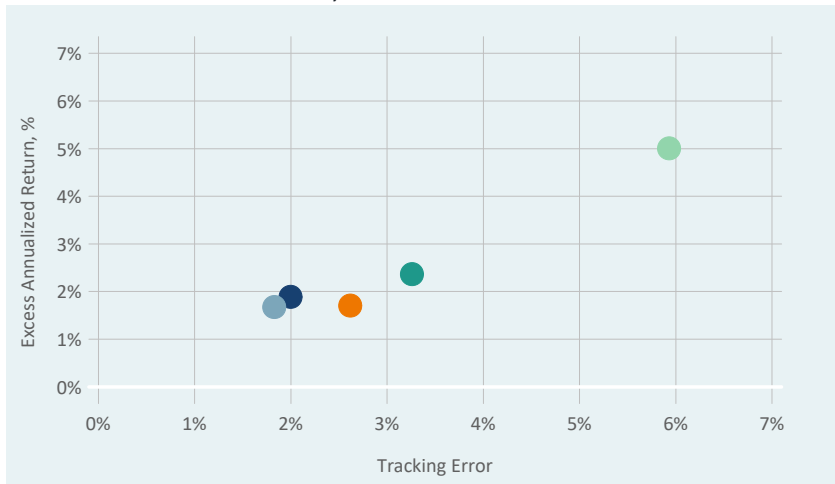
EXCESS PERFORMANCE VS. RISK, JUL-21 TO JUN-24



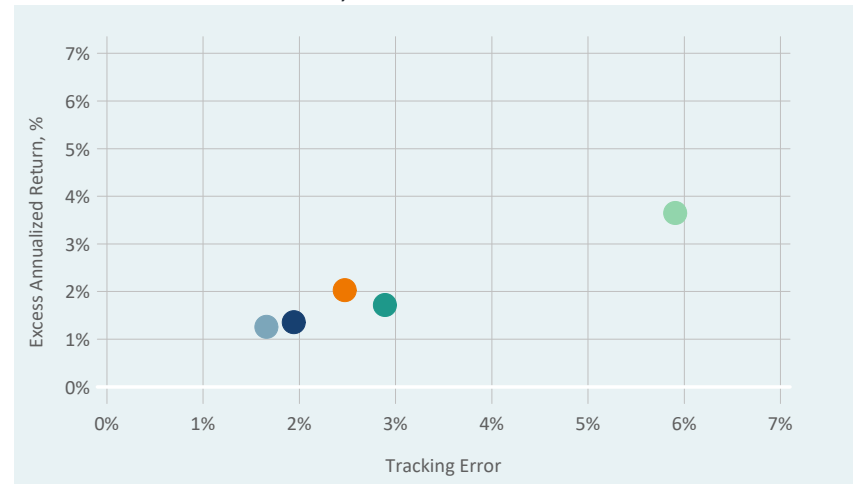
EXCESS PERFORMANCE VS. RISK, JUL-19 TO JUN-24



EXCESS PERFORMANCE VS. RISK, JUL-17 TO JUN-24



EXCESS PERFORMANCE VS. RISK, JUL-14 TO JUN-24



# Notices & Disclosures

clients and tax advisory information, including information regarding the investment and the underlying assets, and the risks associated with the investment. The information is informational in nature and is not intended to constitute an offer of securities or any other financial product, legal, accounting or tax advice. The information is provided for informational purposes only and does not constitute an offer of securities or any other financial product, legal, accounting or tax advice. The information is provided for informational purposes only and does not constitute an offer of securities or any other financial product, legal, accounting or tax advice.

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# **Illinois Police Officers' Pension Investment Fund**

## **Private Markets Implementation**

September 13, 2024

# Higher Expected Return

## Verus 10-Year Return and Risk Assumptions (as of April 2024)

<u>Asset Class</u>	<u>Arithmetic Return</u>	<u>Standard Deviation</u>
US Equity (S&P 500)	6.4%	15.5%
Global Equity	7.6%	16.7%
Private Equity	10.9%	25.6%
Global Aggregate	3.8%	6.6%
Private Credit	9.6%	11.9%
REITS	8.9%	19.2%
Value Add Real Estate	10.3%	15.4%
Global Infrastructure	9.6%	16.9%

Return expectations for private capital premiums to public markets are expected to continue into the future as forecasted by most investment consultants/strategists.

Volatility profiles for most private capital also increase.

Returns above for public and private capital are net of all investment management fees.

# Higher Risks

- **Constrained liquidity**
  - Fund access is periodic and finite.
  - “Deal Flow” to best funds may be blocked.
  - Capital is committed on demand and locked up until distributed by the General Partner.
- **Broader Range of Outcomes**
  - Opportunity set for both extremely positive results and negative or underwhelming results can occur.
  - Loss of Principal is possible.
- **Lack of Transparency**
  - Tighter ownership of investment strategy by the general partner can lead staff/limited partners to desire more vital details to assist with due diligence.
  - Investors will often need to subscribe to additional databases such as Pitchbook/Prequin to gain necessary details.

# Broader Range of Outcomes

## Dispersion of Returns

### Average Annual Manager Returns by Asset Class

July 1, 2008 - June 30, 2018

- Dispersion from median to 5th percentile
- ◆ Manager median

#### ACTIVELY MANAGED LONG-ONLY STRATEGIES

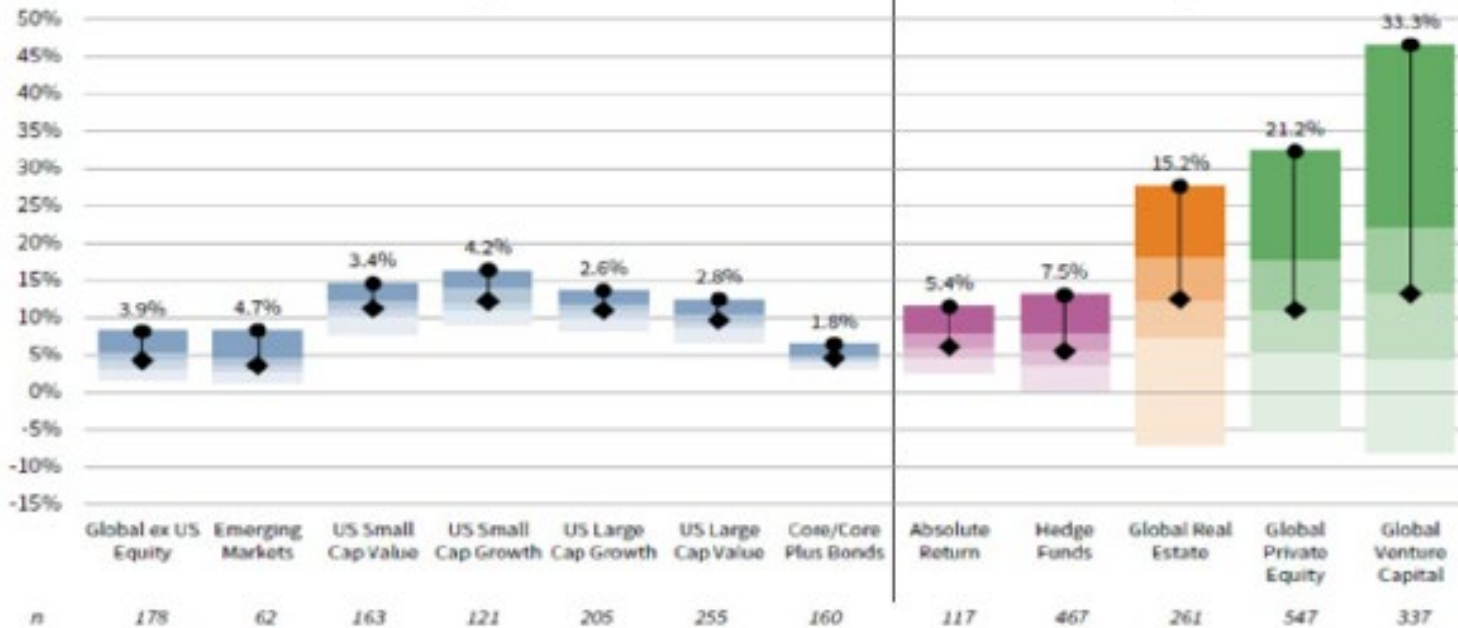
Average dispersion from median to 5th percentile:

3.3%

#### ALTERNATIVE ASSET STRATEGIES (available as active only)

Average dispersion from median to 5th percentile:

16.5%

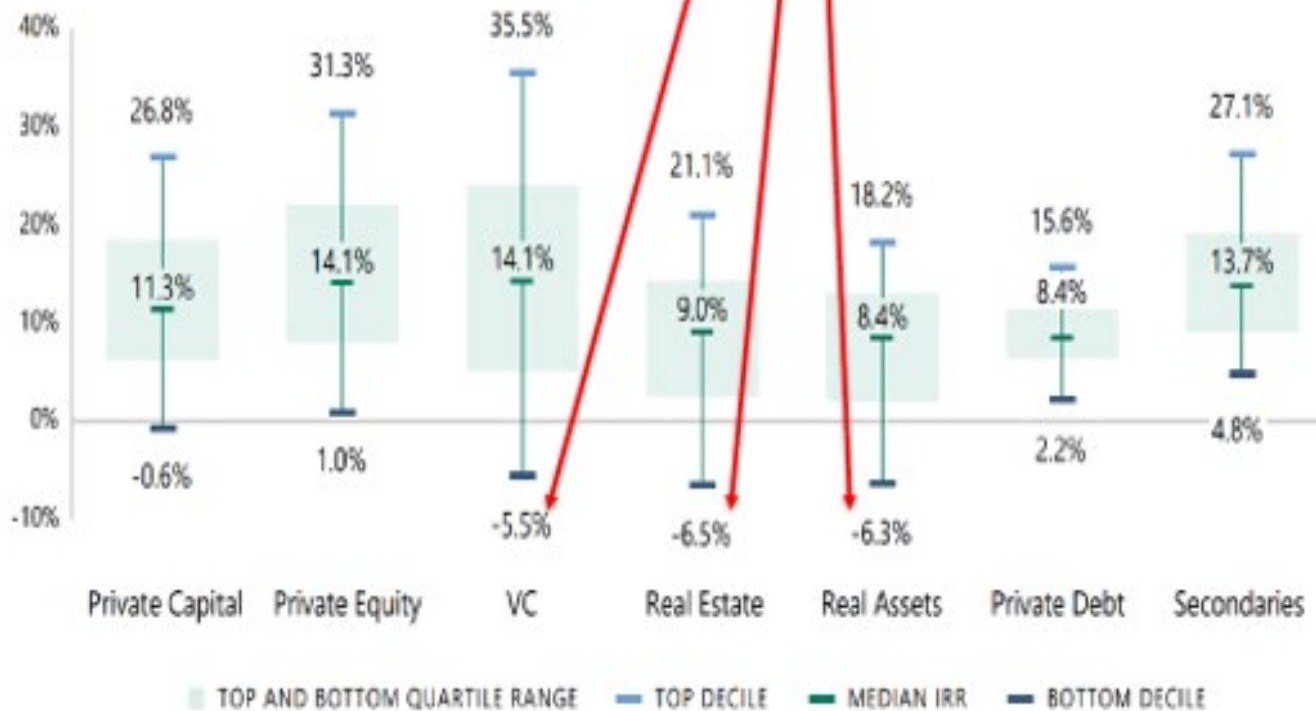


Source: Cambridge Associates: [https://publishedresearch.cambridgeassociates.com/wp-content/uploads/2018/12/PI40\\_07.png](https://publishedresearch.cambridgeassociates.com/wp-content/uploads/2018/12/PI40_07.png)

# Manager Selection is Critical

## Principal Loss is a real factor in the Private Markets

Dispersion of Net IRRs by Private Capital Strategy<sup>11</sup>



Source: Pitchbook as of 3/31/2023 (vintages 2005-2018).



# Higher Fees

## Verus 10-Year Return and Risk Assumptions (as of April 2024)

<b>Asset Class</b>	<b>Arithmetic Return</b>	<b>Standard Deviation</b>	<b>Fee Comparison</b>
US Equity	7.0%	15.5%	2-50 bps (passive vs active)
Global Equity	8.2%	16.7%	5-80 bps (passive vs active)
Private Equity	10.9%	25.6%	200 bps mgmt fee/20% profit share
Global Aggregate	4.3%	6.6%	2-30 bps (passive vs active)
Private Credit	9.8%	11.9%	125 bps mgmt fee/15% profit share
REITS	8.5%	19.2%	50-80 bps (most active)
Value Add Real Estate	9.9%	15.4%	150 bps mgmt fee/17.5% profit share
Global Infrastructure	9.7%	16.9%	150 bps mgmt fee/17.5% profit share

Profit sharing promotes alignment of interests. When IPOPIF does well, the manager gets paid more. However, this will increase reported fees.

Fee transparency, reconciliations and net of fees performance calculations are critical functions that a PM consultant can assist custodian/staff.

# Background

- Verus Private Markets Education (Faraz Shooshani) presented in June 2023 highlights opportunities, costs and risks
- Implementation was impacted by IPOPIF recruiting and turnover.
- Verus Private Market “Roadmaps” developed in early 2024.
  - What can we do under current contract?
  - Phased approach reviewed at July 2024 Board meeting.
  - Verus highlighted potential fee drag in “simplified” implementation of Private Equity.
- July 2024 Initiated search for Private Credit Platform. Board selection and investment targeted for December 2024.
- Greg Turk joins IPOPIF as Deputy CIO in late June 2024. Extensive private markets experience and will lead the IPOPIF private markets implementation.

# Situation Analysis

- Private Credit platform search with Verus support is a solid first step and has been progressing very well.
- Verus support options under the current contract are constraining for other private asset classes.
  - Limited to covered fund of funds or open-ended funds
  - Simple approach locks in higher fee structure for extended time period
  - Board feedback in July guided away from simplified/higher cost
- Staff and Verus believe IPOPIF should engage with a private markets consultant sooner rather than later.
  - Higher returns
  - Staff has evaluated the Verus PM implementation phases and recommends moving to the last phase (phase 3)
  - The existing contractual relationship with Verus won't get IPOPIF to phase 3. The need for dedicated private markets support is key.
- Dedicated and comprehensive private market expertise is outside of the traditional scope of general investment consultants. The industry of dedicated private markets advisory support is mature and extensive.

# PM Consultant Deliverables

## **Strategic Guidance Across all four PM Asset Classes:**

- Setting appropriate long term asset allocation targets and implementation plans to achieve those targets.
- Create appropriate pacing analysis with how the PM build will be affecting cash flows at the total plan level, including all possible sensitivities across market based and other stress scenarios. IPOPIF is brand new to private markets and could be allocating significantly over the next 2-3 years.

## **Investment Manager Searches:**

- Assistance within investment manager searches including investment due diligence, operational due diligence, and legal review of key terms/structure.
- The consultant must have a deep and broad database covering all private market verticals and staff should have direct access to this information.

## **Quarterly Reporting and Education:**

- Provide quarterly investment performance reporting and program analysis, including success and issues of concern.
- Quarterly engagement with the IPOPIF Board of Trustees, preferably in person in Peoria
- Proper benchmarking is critical in private markets and the consulting role must be able to provide rigorous feedback to Board and staff.

# Looking Forward

- 2024
  - Private Credit Platform Search (target Dec. selection)
  - Private Market Consultant Search (tgt. Jan. selection)
- Early 2025
  - Develop strategic plans for each private market asset class
    - Allocation to sub-asset classes, e.g. buyouts vs. venture capital, USA vs. Non-USA.
    - Vehicle weighting – platform (e.g. fund of funds) vs. direct, considering fees, complexity, staff resources, Board bandwidth
    - Pacing analysis and planning are critical for a new investor
    - Transparent and comprehensive reporting framework
    - Planning schedule for private platform and fund searches
    - Reviewed and approved by Board
- Mid to End of 2025
  - First searches and allocations to Private Equity and Infrastructure
  - Additional allocations within Real Estate

# Implementation Considerations

- The majority of 2H 2024 will be spent with IPOPIF staff interacting with advisory private markets consultants to narrow down relationships to best possible three to bring to the Board in Dec.
- The key focus of Q1 2025 will be for staff/private markets consultant to create strategic plans for all four private market verticals which will be brought to the Board for review/discussion.
- The most important parts of the strategic plans:
  - The underlying sub-structure and allocation targets for each sub-vertical (ex. how much to buyouts vs venture capital, US vs Non-US).
  - Relative weighting to Fund of Funds/Fund of One structures vs. direct closed end fund investing per each identified vertical. (The extra layer of fees must be justified in the case of FofFs/Fund of One).
  - Investment pacing analysis and planning will be critical since IPOPIF is a completely brand new investor to private equity, private credit and infrastructure.
  - A transparent and comprehensive reporting framework for all private markets asset classes and each specific mandate will be created and agreed upon by all parties.
- General consultant will work with staff/dedicated private markets consultant to capture necessary private market additions to IPOPIF Investment Policy.



## **MEMORANDUM**

DATE: September 4, 2024  
TO: IPOPIF Board of Trustees  
FROM: Greg Turk, Deputy CIO; Kent Custer, Chief Investment Officer  
SUBJECT: Private Markets Consultant Search Request

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### **Recommendation**

That the Board of Trustees approve a search for a dedicated private markets consultant to assist IPOPIF staff with construction of the private markets portfolio which currently consists of Private Equity (long-term target of 7%), Private Credit (5%), Real Estate (5%) and Infrastructure (3%)

### **Procurement of Investment Services Policy**

The Board of Trustees established the Procurement of Investment Services Policy ("Policy"), PP-2021-07, so that all decisions to procure Investment Services will be made with respect for the principles of competitive selection, full disclosure, objective evaluation, and proper documentation. The Policy establishes, among other provisions, competitive selection procedures (Section D), including evaluation factors (Section D.5). Section D.2 establishes that "The Board shall approve when there shall be a search for Investment Services and the parameters of the search based on a recommendation from investment staff or Investment Consultant.

### **Background**

- The IPOPIF Investment Policy Statement allocates 20% to private market assets, including: 7% to private equity, 5% to private credit, 5% to real estate, and 3% to infrastructure.
- Current exposure to private markets is limited the Principal US Property Account, which accepted in transfer from Article 3 funds. This position was valued at \$158 million as of August 31, 2024, equating to 1.4% of the IPOPIF Fund.
- The Verus consultant contract provides limited support for alternative investments, including private markets.
- Staff and Verus have explored private market implementation options under the current contract and presented options to the Board at the July 2024 meeting.
  - The Board approved a search for a private credit platform as recommended by staff and Verus.
  - Verus recommends engagement of a private markets consultant to increase the investable universe, reduced fees, and increase net returns.
- Greg Turk joined IPOPIF in June 2024 as Deputy CIO to focus on the implementation of private market investments. Mr. Turk has extensive experience working with private market consultants to successfully implement private equity, private credit, real assets and diversifying strategies allocations.

- Investment staff (Turk and Custer) have reviewed implementation options and are in agreement that IPOPIF should engage a private markets consultant to assist in further implementation of IPOPIF private market investments.

### **Rationale and scope of services**

The dedicated private market consultant will support IPOPIF to develop a comprehensive approach to private market investments that will maximize returns, while controlling risks, costs, and complexity.

The scope of services is detailed in the attached RFP and summarized below.

- Strategic Guidance Across all four Private Markets (PM) Asset Classes:
  - Setting appropriate long term asset allocation targets and implementation plans to achieve those targets.
  - Create appropriate pacing analysis with how the PM build will be affecting cash flows at the total plan level, including all possible sensitivities across market based and other stress scenarios. IPOPIF is brand new to private markets and could be allocating significantly over the next 2-3 years.
- Investment Manager Searches:
  - Assistance within investment manager searches including investment due diligence, operational due diligence, and legal review of key terms/structure.
  - The consultant must have a deep and broad database covering all private market verticals and staff should have direct access to this information.
- Quarterly Reporting and Education:
  - Provide quarterly investment performance reporting and program analysis, including success and issues of concern.
  - Quarterly engagement with the IPOPIF Board of Trustees, preferably in person in Peoria, IL.
  - Proper benchmarking is critical in private markets and the consulting role must be able to provide rigorous feedback to the Board and staff.

### **Fee and Budget Impact**

Private markets consultant fees can vary widely depending on size, pace, and complexity of the private markets program and due diligence asks as well as on the experience, depth, breadth, and expertise of the consultant. Based on similar searches from other sponsors, we anticipate a fee load of approximately \$500,000 annually, but it may be that a more expensive provider could be recommended in order to optimize returns, fees, and risk. We note that the consultant fees will be small relative to the value added through direct access to desired funds and favorable terms.

Private Markets Consultant fees are not included in the FY25 budget. A budget amendment will be proposed in conjunction with a hiring recommendation.



### **Request for Proposal and Timeline**

The Request for Proposal, including the search timeline, is attached for reference. Key points are summarized below.

- Consistent with recent IPOPIF searches, the search will utilize a phased approach to promote participation and improve evaluation efficiency and effectiveness. Phase 1 is a request for information (RFI) of the most pertinent information. The highest caliber candidates will be invited to participate in Phase 2, which is the submission of the full proposal and all required documentation. However, any candidate that meets the minimum requirements can submit a full proposal.
- The timeline is detailed in the attached RFP. Board review and selection is targeted for the January 2025 Board meeting.
- Exhibit 6 to the RFP is a template consulting contract which was drafted by Fiduciary Counsel, Taylor Muzzy, using the 2021 consulting contract as a basis.



## **MEMORANDUM**

DATE: August 31, 2024  
TO: IPOPIF Board of Trustees  
FROM: Kent Custer, Chief Investment Officer  
SUBJECT: Special Investment Principles, Considerations for Governance Committee

---

### **Background**

- The IPOPIF Board of Trustees has expressed interest in investment and policy considerations relating to investment in or contracting with businesses that have supported activities that are contrary to the interests of IPOPIF, such as anti-police or anti-pension initiatives or organizations.
- Substantial work was done in early 2022 by Staff, Verus, and Fiduciary Counsel, which was presented to the Board at the April 2022 meeting and revisited at the April 12, 2024, meeting.
- This topic was reviewed by the Governance Committee at their meeting on May 17, 2024, and the full Board on July 19, 2024

### **Suggested Board Actions**

- Adopt a Statement of Principle to establish a general framework of the issues of concern and the Board's intention to act and allocate resources.
- Adopt related revisions to the Procurement of Investment Services Policy.
- Adopt strategic objectives to leverage the statement of principle into desired outcomes.

### **Statement of Principle**

The Statement of Principle is the foundation on which to build the Strategic Objectives that will drive desired outcomes. The Draft Statement of Principle shown below incorporates feedback from the July Board meeting and additional evaluation by the CIO and Fiduciary Counsel. Changes are shown below.

We removed references to the "right to a strong defined benefit pension" and inserted language regarding "diminishing public pension sustainability or retirement security." This is consistent with one of the purposes for which IPOPIF was established, as set forth in Section 22B-114, which is "ensuring more money is available to fund pension benefits for the beneficiaries of the transferor pension funds." Moreover, the National Conference of Public Employee Retirement Systems has developed an objective process to determine whether entities engage in activities to diminish public pension sustainability and has generated a list of such entities, available at: <https://www.ncpers.org/schedule-a> and is attached for reference. While IPOPIF Investment Staff and the Investment Consultant work to generate a list of entities that engage in activity that could undermine law enforcement officers' ability to protect and serve their communities, the Board can

adopt the NCPERS list of entities that engage in activities that diminish public pension sustainability as a well-established starting point.

*The Board of Trustees affirms as a matter of Fund policy that IPOPIF's investments should recognize and respect the positive impact that municipal law enforcement officers have in their communities ~~and these officers' right to a strong defined benefit pension~~. The Board recognizes that some publicly traded corporations and private owners or managers of investment vehicles may support organizations that engage in policy making activity, ~~such as 'defunding the police' or weakening the defined benefit pensions earned by officers~~, that could undermine law enforcement officers' ability to protect and serve their communities safely, such as 'defunding the police,' or that could diminish public pension sustainability or retirement security ~~and that could diminish the actuarial funding strength and the defined benefits provided by the underlying Article 3 pension funds~~. The Board intends to develop criteria as part of its Investment Policy Statement that will, within the bounds of financial and fiduciary prudence, strive to ensure that IPOPIF's investments fully support this Statement of Principle.*

#### **Related Investment Objectives for Consideration**

1. Revise the Investment Policy Statement, Investment Services Procurement Policy, and Template RFP to reference or incorporate the Statement of Principle. A draft revision of the Investment Services Procurement Policy is attached for consideration.
2. Evaluate and recommend proxy voting policies, services, and processes to reflect IPOPIF principles. Through this objective, IPOPIF can have an independent voice with most corporations through our stock ownership, either directly or through commingled funds. This is likely to be a substantial undertaking for investment staff.
3. Develop a list of entities that engage in activity that could undermine law enforcement officers' ability to protect and serve their communities safely.

#### **Attachment**

NCPERS Schedule A



## National Conference on Public Employee Retirement Systems

*The Voice for Public Pensions*

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 [Print Page](#)

# Schedule A

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NCPERS has developed an objective process to determine whether foundations, think tanks, and other nonprofit entities engage in ideologically, politically, or donor driven activities to diminish public pension sustainability. In September NCPERS sends out a request to public plans seeking their input on Schedule A potential entities. The objective process includes evaluating these entities on the following criteria:

- Advocates or advances the claim that public defined benefits are unsustainable
- Advocates for a defined contribution plan to replace the public defined benefit plan
- Advocates for a poorly designed cash balance plan to replace the public defined benefit plan
- Advocates for a poorly designed combination plan to replace the public defined benefit plan
- Links school performance evaluation to whether it sponsors a defined benefit plan to its teachers/ employees
- Miscellaneous activities to diminish public pension sustainability and retirement security

In October/November NCPERS staff reviews the submissions from public plans. We document the supporting examples and prepare the coming year's proposed Schedule A for the NCPERS Executive Board. In December, the NCPERS Executive Board reviews the proposed Schedule A and votes to approve, reject, or modify the proposed Schedule A.

Based on the criteria above, NCPERS has determined the following foundations, think tanks, and other nonprofit entities engage in ideologically, politically, or donor driven activities to undermine public pensions:

- Alabama Policy Institute
- American Enterprise Institute
- American Legislative Exchange Council
- Bellweather Education Partners
- Bluegrass Institute for Public Policy Solutions\*
- California Common Sense
- California Policy Center
- Equable Institute
- Florida TaxWatch
- Goldwater Institute
- Heartland Institute
- Heritage Foundation
- Hoover Institution at Stanford University\*
- Howard Jarvis Taxpayers Association
- Illinois Policy Institute
- Independent Institute
- Jessie Ball DuPoint Fund
- Laura and John Arnold Foundation
- Maclver Institute
- Mackinac Center for Public Policy
- Manhattan Institute for Public Policy
- Maryland Public Policy Institute
- Massachusetts Taxpayer Foundation

- Mercatus Center at George Mason University
- National Council on Teacher Quality
- National Right to Work Committee
- Nelson Rockefeller Institute of Government
- Platte Institute
- Pioneer Institute
- R Street Institute
- Reason Foundation
- Secure Illinois Retirements\*
- Show Me Institute
- Stanford Institute for Economic Policy Research (SIEPR)
- Teacherspensions.org
- Texas Public Policy Foundation
- Yankee Institute for Public Policy

\*NEW in 2024

[Schedule A Chart](#) (Updated March 18, 2024)

[\*Return to Code of Conduct\*](#)

Public Pension Defense Toolkit

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Advocacy Activities

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Code of Conduct

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- » Public Pension Service Providers Who Have Signed NCPERS Code of Conduct
- » Letters of Intent
- » Schedule A

Secure Choice Pension

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Pension Accounting and Actuarial Services

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## State-Level Pension Legislation Tracker

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National Conference on Public Employee Retirement Systems  
1201 New York Avenue, NW, Suite 850, Washington, DC 20005

☎ 202-601-2445 📠 202-688-2387

✉ info@ncpers.org

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## **MEMORANDUM**

DATE: September 4, 2024  
TO: IPOPf Board of Trustees  
FROM: Kent Custer, Chief Investment Officer  
SUBJECT: Revisions to the Procurement of Investment Services Policy

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### **Recommendation**

That the Board of Trustees amend the Procurement of Investment Services Policy as proposed and as may be modified further by Board direction.

### **Discussion**

Revisions to the Procurement of Investment Services Policy are being recommended to address issues related to the adoption of the Statement of Principle and a search for a private markets consultant. The revisions have been developed and reviewed jointly with Fiduciary Counsel, Taylor Muzzy. Revisions are shown in the attached draft and summarized below.

### **Summary of Changes**

1. Defines the Statement of Principle (Section B.9, page 3).
2. Adds a requirement that RFP responses describe the process through which the respondent will integrate the Statement of Principle into investment decision-making and disclose financial support to any entity that engages in activities that are inconsistent with the Statement of Principle (Section D.3.m).
3. Adds flexibility for the Board to delegate, by a vote of at least six Trustees, to the Chief Investment Officer and Investment Staff the determination of the top-qualified Investment Consultants (Section D.5, page 9). The Board has already adopted this approach for the determination of top-qualified Investment Advisers.
4. Provides that the Board will be provided with the disclosures related to the Statement of Principle prior to consideration of the finalists for both Investment Consultants and Investment Advisers (Section D.5, p. 10 and Section D.6, p. 12).
5. Adds as an evaluation factor for Investment Advisers all disclosures and the candidate's history of regulatory actions, record of integrity and business ethics, and strength of internal ethics and conflicts of interest policies (Section D.6.h, p. 13). The Board has already adopted this as an evaluation factor for Investment Consultants.



**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND  
POLICY AND PROCEDURE**

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**POLICY NUMBER:** PP-2021-07  
**SUBJECT:** PROCUREMENT OF INVESTMENT SERVICES  
**EFFECTIVE DATE:** JUNE 25, 2021  
**AMENDED:** OCTOBER 13, 2023  
SEPTEMBER 13, 2024

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**INDEX:**

SECTION A: PURPOSE  
SECTION B: DEFINITIONS  
SECTION C: APPLICATION OF COMPETITIVE SELECTION PROCEDURES  
SECTION D: COMPETITIVE SELECTION PROCEDURES  
SECTION E: ROLES AND RESPONSIBILITIES  
SECTION F: POLICY REVIEW

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**A. Purpose**

The Board of Trustees (“Board”) of the Illinois Police Officers’ Pension Investment Fund (“IPOPIF”) establishes the following Procurement Policy (“Policy”) so that all decisions to procure Investment Services will be made with respect for the principles of competitive selection, full disclosure, objective evaluation, and proper documentation.

**B. Definitions**

1. “Emerging Investment Adviser” or “Emerging Investment Manager,” as defined in Section 1-109.1(4) of the Illinois Pension Code, means a qualified Investment Adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a MWDBE.
2. -“Investment Adviser” or “Investment Manager,” as defined in Section 1-101.4 of the Illinois Pension Code, means any entity that:
  - a. is a fiduciary appointed by the Board;
  - b. has the power to manage, acquire, or dispose of any of the IPOPIF’s assets;

- c. has acknowledged in writing that it is a fiduciary with respect to the IPOPIF; and
- d. is at least one of the following:
  - (i) registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.);
  - (ii) registered as an investment adviser under the Illinois Securities Law of 1953;
  - (iii) a bank, as defined in the Investment Advisers Act of 1940;
  - (iv) an insurance company authorized to transact business in Illinois;
- 3. “IPOPIF Database” means an industry database of institutional quality registered investment management or transition management firms utilized by the IPOPIF as described in Section D.4 of this Policy.
- 4. “Investment Consultant” means any entity retained by the Board to make recommendations in developing an investment policy, to assist with finding appropriate Investment Advisers or other investment related professionals, or to monitor the Board’s investments. Investment Consultant does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy voting services, services used to track compliance with legal standards, and investment fund of funds where the Board has no direct contractual relationship with the Investment Adviser(s) or partnerships. Other than a Trustee or an employee of the IPOPIF, no entity may act as an Investment Consultant unless that person is registered as an investment adviser or a bank under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.)
- 5. “Investment Services” means services provided by an Investment Adviser, Transition Manager, or an Investment Consultant.
- 6. MWDBE means a Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2, as amended.
- 7. “MWDBE Investment Adviser” or “MWDBE Investment Manager” means a qualified Investment Adviser that manages an investment portfolio and is a MWDBE.
- 8. “SDVOSB” means a “qualified serviced-disabled veteran-owned small business” as defined in 30 ILCS 500/45-57.

~~8-9.~~ “Statement of Principle” means the statement adopted by the Board in the [INSERT REFERENCE TO IPOPIF INVESTMENT POLICY OR STANDALONE POLICY] reflecting the Board’s commitment to evaluate, within the bounds of financial and fiduciary prudence, investments and Investment Services provider activities that: (a) undermine the ability of police officers participating in pension funds established under Article 3 of the Illinois Pension Code to protect and serve their communities safely; or (b) diminish public pension sustainability or retirement security.

~~9-10.~~ “Transition Manager” means an entity engaged to liquidate or restructure certain portfolios and is: (a) a broker-dealer registered with the Securities & Exchange Commission under the Securities Exchange Act of 1934, as amended (“Exchange Act”); (b) a bank or limited purpose national banking association as defined in the National Bank Act, as amended; or (c) a registered investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”), as amended; or (d) an investment advisor registered with the State of Illinois under the Illinois Securities Act of 1953, as amended (“1953 Act”); and

~~10-11.~~ “VOSB” means a “qualified veteran-owned small business” as defined in 30 ILCS 500/45-57.

**C. Application of Competitive Selection Procedures.**

Pursuant to Section 1-113.14 of the Illinois Pension Code, this Policy applies to the procurement of Investment Services, except:

1. Sole source procurements, meaning there is only one fiscally feasible source for the Investment Services.
2. Emergency procurements, including when: (a) there exists a threat to public health or public safety; (b) immediate expenditure is necessary for repairs to IPOPIF property in order to protect against further loss of or damage to IPOPIF property; (c) to prevent or minimize serious disruption in critical IPOPIF services, including, but not limited to, services that affect health and safety; or (d) to ensure the integrity of IPOPIF records. Emergency procurements of \$20,000 or more requires ratification by the Board at the next scheduled meeting.
3. At the discretion of the Board, contracts for Investment Services that are for a non-renewable term of one year or less and have a value of less than \$20,000.
4. At the discretion of the Board, contracts for follow-on funds with the same fund sponsor through closed-end funds.

All exceptions granted shall be published on the IPOPIF web site and shall include the name of the person authorizing the procurement and a brief explanation of the reason for the exception.

**D. Competitive Selection Procedures.**

All procurements of Investment Services under this Policy shall be awarded by the following competitive selection procedure.

1. Uniform Documents. As required by Section 113.14(f) of the Illinois Pension Code, uniform documents shall be used for the solicitation, evaluation, and retention of Investment Services and shall be posted on the IPOPIF website.
2. Public Notice. The Board shall approve when there shall be a search for Investment Services and the parameters of the search based on a recommendation from investment staff or Investment Consultant. Notice of the need for Investment Services shall be published in a Request for Proposals (“RFP”). The RFP shall be published on the IPOPIF website and, if appropriate, in a relevant trade journal, publication, or website at least 30 days prior to the deadline to respond. The RFP shall remain on the IPOPIF’s website until the deadline for responses to the RFP.
3. Request for Proposals (“RFP”). Every procurement for Investment Services shall use an RFP, which shall contain, among other things, all of the following:
  - a. A requirement that the response shall contain the candidate’s contact information.
  - b. A date by which a response shall be returned.
  - c. The evaluation factors designated in Section D.5 or D.6 of this Policy, as applicable.
  - d. A copy of the IPOPIF’s current Investment Policy, with notice that such Policy is subject to change, as required by Section 113.14(c)(2) of the Illinois Pension Code.
  - e. A copy of the “quiet period” guidelines designated in Section D.9 of this Policy.
  - f. A copy of the IPOPIF Ethics Policy and the requirement that the candidate must agree to comply with the IPOPIF Ethics Policy at all times.
  - g. A requirement for the disclosure of all political contributions to support candidates for office in Illinois by the candidate firm, its officers, directors, and employees. The candidate should certify that all political contributions for all offices in all states by the candidate firm, its officers, directors, and employees were made in accordance with the provisions of, if applicable, the Election Code, 10 ILCS 5/1-1 *et seq.*, as amended, and Section 206 of the Investment Advisers Act of 1940 and SEC Rule 206(4)-5 (16 CFR 275.206(4)-5), as amended.
  - h. The IPOPIF template Investment Management Agreement (if applicable), Side Letter (if applicable), or Investment Consultant Agreement (if applicable), which shall be attached to the RFP and which shall include,

among other things, the requirements set forth in Section 1-113.14(c) of the Illinois Pension Code. The RFP shall note that amendments to the IPOPIF's template Investment Services agreements are disfavored. Any objections to the IPOPIF's template Investment Services agreements shall be detailed in the response to the RFP, not after a selection has been made.

- i. A requirement that the response to the RFP shall contain the following disclosures required under the Illinois Pension Code:
  - (i) Pursuant to Section 113.14(c)(3) and (12) of the Illinois Pension Code, the method for charging and measuring fees, including disclosure of the direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the Investment Consultant, Transition Manager, or Investment Adviser in connection with the provision of Investment Services to the IPOPIF;
  - (ii) Pursuant to Section 113.14(c)(5) of the Illinois Pension Code, the names and addresses of: the Investment Consultant, Transition Manager, or Investment Adviser; any entity that is a parent of, or owns a controlling interest in, the Investment Consultant, Transition Manager, or Investment Adviser; any entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Consultant, Transition Manager, or Investment Adviser; any persons who have an ownership or distributive income share in the Investment Consultant, Transition Manager, or Investment Adviser that is in excess of 7.5%; or serves as an executive officer of the Investment Consultant, Transition Manager, or Investment Adviser. An "executive officer" shall mean any president, director, vice-president in charge of a principal business unit, division, or function (such as investment management, marketing, or administration), and any other employee who performs a policy-making role, regardless of the title given to their position;
  - (iii) A statement that contingent and placement fees are prohibited by Section 1-145 of the Illinois Pension Code;
  - (iv) Pursuant to Section 113.14(c)(6) of the Illinois Pension Code, the names and addresses of all subcontractors, if any, and the expected amount of money each will receive under the contract;
  - (v) Pursuant to Section 113.21 of the Illinois Pension Code, a disclosure of the number of the Investment Consultant's, Transition Manager's or Investment Adviser's investment and senior staff and the percentage of that staff who are a minority person, a women, a veteran, or a person with a disability; the number of contracts for investment, consulting, professional, and artistic services the

Investment Consultant, Transition Manager, or Investment Adviser has with a MWDBE, SDVOSB, or VOSB; the number of contracts for investment, consulting, professional, and artistic services which the Investment Consultant, Transition Manager, or Investment Adviser has with a business other than a MWDBE, SDVOSB, or VOSB, if more than 50% of the services performed pursuant to that contract are performed by a minority person, a women, or a person with a disability. For the purposes of this subsection, the terms “professional service” and “artistic service” have the same meanings as those terms have in 30 ILCS 500/1-15.60. Note that the SDVOSB and VOSB reporting required under this provision is not required by the Pension Code but is required by the IPOPIF; and

- (vi) In addition, pursuant to Section 113.15 of the Illinois Pension Code, for searches for fund-of-fund Investment Advisers: (a) a description of any fees, commissions, penalties, and other compensation payable, if any, directly by the retirement system, pension fund, or investment board (which shall not include any fees, commissions, penalties, and other compensation payable from the assets of the fund-of-funds or separate account); (b) a description (or method of calculation) of the fees and expenses payable by the IPOPIF to the Investment Adviser and the timing of the payment of the fees or expenses; and (c) a description (or method of calculation) of any carried interest or other performance based interests, fees, or payments allocable by the IPOPIF to the Investment Adviser or an affiliate of the Investment Adviser and the priority of distributions with respect to such interest.

- j. Pursuant to Section 113.23 of the Illinois Pension Code, A requirement that in connection with an RFP for an Investment Adviser or Transition Manager, the Investment Consultant shall disclose for the prior 24 months any compensation or economic opportunity received in the last 24 months from an Investment Adviser or Transition Manager that is recommended for selection by the Investment Consultant. “Compensation” means any money, thing of value, or economic benefit conferred on, or received by, the Investment Consultant in return for services rendered, or to be rendered, by himself, herself, or another. "Economic opportunity" means any purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services wherein the Investment Consultant may gain an economic benefit.

- k. Pursuant to Section 113.22 of the Illinois Pension Code, a requirement that the response to an RFP for an Investment Consultant the candidate shall disclose for the prior calendar year:

- (i) The total number of searches for investment services;

- (ii) The total number of searches for investment services that included MWDBE;
  - (iii) The total number of searches for investment services in which the candidate recommended for selection a MWDBE;
  - (iv) The total number of searches for investment services that resulted in the selection of a MWDBE; and
  - (v) The total dollar amount of investment made with a MWDBE that was selected after a search for investment services performed by the candidate.
1. Pursuant to Section 20(e) of the Illinois Sustainable Investing Act, 30 ILCS 238/1, *et seq.*, a requirement that the response to an RFP for an Investment Adviser shall include a description of any process through which the Investment Adviser prudently integrates the following sustainability factors into their investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated risk-adjusted financial returns, identify projected risk, and execute the Investment Adviser's fiduciary duties:
- (i) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
  - (ii) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
  - (iii) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices, and product labeling, community reinvestment, and community relations.
  - (iv) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.

- (v) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

m. Pursuant to Board policy, a requirement that the response to an RFP for an Investment Adviser, Transition Manager, or Investment Consultant shall include:

(i) A description of the process through which the Investment Adviser, Transition Manager, or Investment Consultant will, within the bounds of financial and fiduciary prudence, integrate the Statement of Principle into investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership; and

(ii) Disclosure of any financial support within the prior five (5) calendar years and/or formal involvement with any community, foundation, think tank, or not-for-profit organization that engages in ideologically, politically, or donor driven activities that are inconsistent with the Statement of Principle by each the following:

(A) The Investment Adviser, Transition Manager, or Investment Consultant;

(B) Any executive officer or shareholder of the Investment Adviser, Transition Manager, or Investment Consultant;

(C) Any parent entity or entity that owns a controlling interest in the Investment Adviser, Transition Manager, or Investment Consultant; and

(D) Any executive officer or shareholder of any parent entity or entity that owns a controlling interest in the Investment Adviser, Transition Manager, or Investment Consultant.

For purposes of this Subsection, an “executive officer” shall mean any president, director, vice- president in charge of a principal business unit, division or function (such as investment management, marketing, or administration), and any other employee who performs a policy-making role, regardless of the title given to their position.

The Board intends to develop a non-exhaustive list of the entities that fall under the disclosure required by this Subsection to be provided with an RFP.

m.n. All documents created as part of an RFP, including the responses by prospective Investment Consultants, shall be considered public records and



shall be made available for inspection and copying as provided in Section 3 of the Illinois Freedom of Information Act, 5 ILCS 140/1, et seq.

4. IPOPIF Database. The IPOPIF may utilize a third-party industry database of institutional-quality registered investment advisers to serve as the primary pool from which the IPOPIF will identify and evaluate candidates in a search for Investment Advisers, as follows:
  - a. It is essential that all interested Investment Advisers have access to the IPOPIF Database. No fee shall be required to participate in the IPOPIF Database and the IPOPIF will not use any criteria to exclude Emerging or MWDBE Investment Advisers or SDVOSB or VOSB Investment Advisers from participating in the IPOPIF Database.
  - b. The IPOPIF shall publish on its website the details of the IPOPIF Database and shall encourage all interested Investment Advisers to access and submit their information into the IPOPIF Database, regardless of whether there is a current RFP, and will make reasonable efforts to ensure that Emerging or MWDBE Investment Advisers and SDVOSB or VOSB Investment Advisers are aware of and have access to the IPOPIF Database.
  - c. The RFP will clearly specify that the IPOPIF Database is being utilized and that all Investment Adviser candidates are required to submit their information into the IPOPIF Database.
  - d. The IPOPIF may use the IPOPIF Database to conduct an initial evaluation to both (i) determine whether candidates meet certain initial evaluation criteria for the search and (ii) identify the highest caliber candidates. The initial evaluation criteria will include, but is not limited to, the factors set forth in Section D.6.a-d. Candidates who do not meet the initial evaluation criteria will not be requested to submit additional information as part of the RFP. Candidates who the IPOPIF Staff, in consultation with the Investment Consultant, identify as the highest caliber candidates will be requested to submit additional information; provided, however, that nothing will prevent candidates who meet the minimum criteria from submitting additional information. The RFP will clearly specify the initial evaluation criteria.
  - e. All Emerging or MWDBE Investment Advisers or SDVOSB or VOSB Investment Advisers that meet the initial evaluation criteria in the RFP will be requested to submit additional information as part of the RFP.
5. Evaluation of Investment Consultant Responses. Responses from Investment Consultant candidates will be evaluated initially by the ~~Board and~~ Chief Investment Officer (or delegated to IPOPIF Investment Staff) based on the following evaluation factors. The relative importance of the evaluation factors will vary based on the parameters of the search. The Board will determine, based on the evaluation factors, the top-qualified Investment Consultants. The Board may

delegate, by a vote of at least six Trustees, to the Chief Investment Officer and Investment Staff the determination of the top-qualified Investment Consultants and the Chief Investment Officer or Investment Staff will disclose the non-finalists.

The ~~Board~~ Chief Investment Officer will be provided ~~the Board~~ with a copy of the disclosures under Section D.3.i through D.3.k and D.3.m of this Policy prior to consideration of the finalists. The Board will select, in the exercise of its discretion, based on the evaluation factors, an Investment Consultant from the list of top-qualified Investment Consultants. The evaluation factors are as follows:

- a. The candidate firm's financial and investment consulting client information, including:
  - (i) The total number, assets under management, and revenues derived from the candidate firm's investment consulting clients as of the prior year-end and such other time periods deemed relevant;
  - (ii) The percentage of the candidate firm's gross revenue that is contributed by the investment consulting department;
  - (iii) Any other businesses in which the candidate firm is involved;
  - (iv) References from at least 3 public fund investment consulting clients;
  - (v) The history of the candidate firm's relationship with its 10 largest investment consulting clients; and
  - (vi) The number and size of client relationships gained and lost in each of the last three calendar years and year-to-date.
- b. History of the candidate firm, including when it was established and when Investment Services were first provided under the current structure.
- c. The candidate firm's experience advising large defined benefit plans, Investment Adviser selection and oversight, and related Investment Services experience.
- d. The qualifications and depth of the candidate firm's professional staff and adequacy of its client servicing capabilities, including:
  - (i) The approach to account servicing;
  - (ii) The maximum number of account relationships assigned to a consultant;
  - (iii) The identity of the primary consultant on the account and whether a specific person is designated to handle matters when the primary consultant is not available;

- (iv) Brief biographical information for the primary consultant and any other individuals expected to be assigned to the IPOPIF account, including number of years in the most recent position.
  - (v) An organizational chart indicating the number of employees, including the average employee tenure, education, EEO data, etc., in each reporting unit for the firm's consulting area; and
- e. The candidate firm's litigation history within the last 10 years relating to Investment Services rendered.
- f. The candidate firm's approach to managing and reducing cybersecurity risk and protecting networks and data, including complying with the U.S. Department of Labor's Cybersecurity Program Best Practices, the State of Illinois Cybersecurity Strategy, the National Institute of Standards and Technology Cybersecurity Framework, and industry best practices.
- g. The disclosures under Section D.3.i through D.3.k and D.3.m, history of regulatory actions regarding the candidate firm's practices, record of integrity and business ethics, and the strength of the candidate firm's internal ethics and conflicts of interest policies.
- h. The candidate firm's process for the search and selection of Investment Advisers and Emerging and MWDBE Investment Advisers, including:
  - (i) A description of the database(s) used to track and evaluate Investment Advisers, Emerging Investment Advisers, MWDBE Investment Advisers, SDVOSB Investment Advisers, and VOSB Investment Advisers, including: the number of Investment Advisers and Emerging or MWDBE Investment Advisers in the database; whether a fee must be paid to be included in the database, and, if so, how much; whether the database is proprietary; whether the requirements for access are uniformly applied; and the ability of Investment Advisers, Emerging or MWDBE Investment Advisers, and SDVOSB or VOSB Investment Advisers to access the database;
  - (ii) A specific description of the candidate firm's policy for increasing access by and outreach to Emerging and MWDBE Investment Advisers and SDVOSB or VOSB Investment Advisers;
  - (iii) The process used to identify Investment Advisers for specific asset allocations; and
  - (iv) Considerations and practices with respect to the CFA Institute Global Investment Performance Standards (GIPS®)
- i. The candidate firm's process of monitoring and evaluating the performance of Investment Advisers, including:

- (i) The indices and composites used to evaluate Investment Advisers' performance within a specific asset allocation;
    - (ii) A description of the process to establish appropriate peer group and performance benchmarks; and
    - (iii) A description of the process for determining when to recommend termination of an Investment Adviser.
  - j. The candidate firm's value-added services to its clients, including: investment policy development; asset and liability modeling; performance evaluation; custodian search and evaluation; and fee negotiations.
  - k. The candidate firm's performance measurement systems environment.
  - l. Pursuant to Sections 1-113.6 and 1-113.17 of the Illinois Pension Code, decision-useful sustainability factors will be considered within the bounds of financial and fiduciary prudence, including but not limited to (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided for under the Illinois Sustainable Investing Act, 30 ILCS 238/1, *et seq.* and detailed in the IPOPIF Investment Policy.
  - m. The reasonableness of the proposed fees, including the proposed retainer and fees for each service performed.
6. Evaluation of Investment Adviser and Transition Manager Responses. Responses will be evaluated initially by the Chief Investment Officer (or delegated to IPOPIF Investment Staff) and the Investment Consultant based on the following evaluation factors. The relative importance of the evaluation factors will vary based on the parameters of the search. The Chief Investment Officer (or delegated IPOPIF Investment Staff) and the Investment Consultant will determine, based on the evaluation factors, the top-qualified Investment Advisers or Transition Managers and will disclose the non-finalists. The Board will be provided with a copy of the disclosures under Section D.3.i, D.3.l, and D.3.mj of this Policy prior to consideration of the finalists. The Board will select, in the exercise of its discretion based on the evaluation factors, an Investment Adviser or Transition Manager from the list of top-qualified Investment Advisers or Transition Managers. The evaluation factors are:
- a. Firm background, experience, and reputation, including: the candidate firm's experience in the management of institutional portfolios, the background and qualifications of principals and professional staff, the size of the firm and the products offered, organizational structure, manager tenure, depth of portfolio team and research team, the firm's history of lawsuits and regulatory actions regarding the firm's investment practices, and the firm's record of integrity and business ethics;

- b. Investment philosophy and process, including: the clarity and technical merits of the investment process, buy/sell discipline, efficacy of decisions made (streamlined, responsive), consistency of application, risk awareness and controls, uniqueness of the process, trading ability;
- c. Performance, including: long-term performance, risk factors and, consistency of performance, each of these relative to benchmarks and peers;
- d. The IPOPIF's overall Investment Policy and allocations among existing Investment Advisers, including, but not limited to, the diversification of Investment Advisers in terms of style, investment philosophy, and the complementary relationship between Investment Advisers in the context of the Investment Policy;
- e. Reasonableness of the fees, including availability of 'most-favored nation' fee clauses;
- f. Portfolio management and client services, including: client servicing, accounting, and reporting;
- g. Pursuant to Sections 1-113.6 and 1-113.17 of the Illinois Pension Code, decision-useful sustainability factors will be considered within the bounds of financial and fiduciary prudence, including but not limited to (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided for under the Illinois Sustainable Investing Act, 30 ILCS 238/1, *et seq.* and detailed in the IPOPIF Investment Policy;
- g-h. The disclosures under Section D.3.i, D.3.l, and D.3.m, history of regulatory actions regarding the candidate firm's practices, record of integrity and business ethics, and the strength of the candidate firm's internal ethics and conflicts of interest policies; and
- h-i. The candidate firm's approach to managing and reducing cybersecurity risk and protecting networks and data, including complying with the U.S. Department of Labor's Cybersecurity Program Best Practices, the State of Illinois Cybersecurity Strategy, the National Institute of Standards and Technology Cybersecurity Framework, and industry best practices.

7. Emerging and MWDBE Investment Advisers

- a. Certification. Emerging or MWDBE Investment Advisers shall provide documentation establishing their status as an MWDBE. Preference shall be given to the appropriate certification from the State of Illinois as acceptable documentation. If such certifications are not available, the IPOPIF may consider other information, including another state's or a city's certification.

- b. Principle. The IPOPIF will not use any criteria to exclude an otherwise qualified Emerging or MWDBE Investment Adviser, such as a minimum number of years in business or minimum assets under management. The IPOPIF's goal is to improve investment performance by identifying highly qualified and potentially successful Emerging and MWDBE Investment Advisers that can be awarded allocations or, if the Investment Adviser is participating in a "fund of funds", to be graduated into a separate account portfolio when openings occur, or a need is identified.
  - c. Selection Process. If an Emerging or MWDBE Investment Adviser meets the criteria in the RFP, then that Emerging or MWDBE Investment Adviser shall receive an invitation by the Board to present as a finalist. If there are multiple Emerging or MWDBE Investment Advisers that meet the criteria, then the Chief Investment Officer may choose the most qualified firm or firms to present to the Board.
8. SDVOSB and VOSB.
- a. Certification. SDVOSB and VOSB Investment Advisers shall provide documentation establishing their status as an SDVOSB or VOSB. Preference shall be given to the appropriate certification from the State of Illinois as acceptable documentation. If such certifications are not available, the IPOPIF may consider other information, including another state's or a city's certification.
  - b. Principle. The IPOPIF will not use any criteria to exclude an otherwise qualified SDVOSB and VOSB Investment Adviser, such as a minimum number of years in business or minimum assets under management. The IPOPIF's goal is to improve investment performance by identifying highly qualified and potentially successful SDVOSB and VOSB Investment Advisers that can be awarded allocations or, if the Investment Adviser is participating in a "fund of funds", to be graduated into a separate account portfolio when openings occur, or a need is identified.
  - c. Selection Process. If an SDVOSB and VOSB meets the criteria in the RFP, then that SDVOSB and VOSB Investment Adviser shall receive an invitation by the Board to present as a finalist. If there are multiple SDVOSB and VOSB Investment Advisers that meet the criteria, then the Chief Investment Officer may choose the most qualified firm or firms to present to the Board.
9. Quiet Period. There shall be a quiet period to ensure that the process of selecting an Investment Consultant, Transition Manager, or Investment Adviser is efficient and fair.
- a. The quiet period shall commence with the posting of the RFP and end when the parties have executed an Investment Services agreement.

- b. Initiation, continuation, and conclusion of the quiet period shall be directly communicated to the Board and posted on the IPOPIF website.
- c. During the quiet period, no Board member or Staff member or fiduciary or service provider involved in the search shall accept meals, travel, lodging, entertainment, or any other good or service of value from any candidate.
- d. All authority related to the search process shall be exercised solely by the Board as a whole, and not by individual Board members.
- e. If any Board member or IPOPIF Staff member is contacted by a candidate during the quiet period about a matter relating to the pending selection, the Board member or IPOPIF Staff member shall refer the candidate to the Chief Investment Officer. While the quiet period does not prevent Board approved meetings or communications by Staff with an incumbent Investment Consultant, Transition Manager, or Investment Adviser that is also a candidate, discussion related to the pending selection shall be avoided during those activities.
- f. A candidate may be disqualified from a search process for a willful violation of this Policy.

10. Discussions

- a. Notwithstanding the quiet period provided for in Section D.9 of this Policy, the Board through any designated Board member, the Executive Director, the Chief Investment Officer (or delegated Investment Staff), or Fiduciary Legal Counsel may conduct discussions with candidates to:
  - (i) Determine in greater detail a candidate's qualifications; and
  - (ii) Negotiate the various terms of the Investment Services agreement, including fees.
- b. Discussions may be held before and after the responses to the RFP have been submitted. The Board, IPOPIF Staff, and Fiduciary Legal Counsel shall not disclose publicly any information contained in any responses until the presentation of the finalists.

11. Award of Contract

- a. The Board shall determine the candidate(s) to be retained. Pursuant to Section 22B-117 of the Illinois Pension Code, the selection of an Investment Consultant shall require a vote of at least six Trustees.
- b. The Chief Investment Officer and Fiduciary Legal Counsel, in consultation with the Executive Director, shall negotiate the final terms of the Investment Services agreement. The Chief Investment Officer and Fiduciary Legal

Counsel, in consultation with the Executive Director, may, in the interest of efficiency and as appropriate, negotiate with other candidates that were finalists, while negotiating with the chosen candidate.

- c. Nothing in this Section shall prohibit the Board from making a selection that represents, in the Board's discretion, the best value based on qualifications, fees, and other relevant factors established in the responses being considered.
  - d. Pursuant to Section 113.14(d) of the Illinois Pension Code, the Board shall not enter into a contract with an Investment Consultant that exceeds 5 years in duration. No contract with an Investment Consultant may be renewed or extended, although at the end of the term of a contract a current Investment Consultant is eligible to compete for a new contract, subject to the terms of this Policy.
12. Notice of Contract. Pursuant to Section 113.14(f) and 1-113.15(b) of the Illinois Pension Code, the Board's decision(s) shall be public information and shall be posted on the IPOPIF website. Such notice shall include the name of the successful Investment Consultant, Transition Manager, or Investment Adviser, the basis for determining the total fees to be paid, and a disclosure approved by the Chief Investment Officer describing the factors that contributed to the selection of the Investment Consultant, Transition Manager, or Investment Adviser.

**E. Roles and Responsibilities.**

- 1. The role of the Board is to:
  - a. Establish this Policy to ensure that the competitive selection procedures are prudent and sound.
  - b. Monitor compliance with this Policy.
  - c. The Board shall determine the candidate(s) to be retained to provide Investment Services under this Policy.
- 2. The role of the Contracts Committee is to:
  - a. Develop and maintain template Investment Services agreements.
  - b. Review and approve any proposed material changes from the template Investment Services agreements.
- 3. The role of the Executive Director is to:
  - a. Consult with the Chief Investment Officer and Fiduciary Legal Counsel as needed in preparing RFPs under this Policy.



- b. Consult with the Chief Investment Officer and Fiduciary Legal Counsel as needed in negotiating Investment Services agreements.
  - c. Execute Investment Services agreements, as needed.
  - d. Keep the Board and the Contract Committee informed as necessary for the Board and the Contract Committee to perform their responsibilities.
4. The role of the Chief Investment Officer is to:
- a. Ensure compliance with this Policy for all Investment Services agreements.
  - b. Prepare RFPs pursuant to this Policy.
  - c. Together with the Investment Consultant, conduct due diligence for potential providers of Investment Services.
  - d. Together with Fiduciary Legal Counsel, negotiate Investment Services agreements.
  - e. Execute Investment Services agreements, as required.
  - f. Keep the Board and the Contract Committee informed as necessary for the Board and the Contract Committee to perform their responsibilities.
5. The role of Fiduciary Legal Counsel is to:
- a. Assist the Board in ensuring that the competitive selection procedures in this Policy are prudent and sound.
  - b. Assist the Contract Committee in developing and maintaining template Investment Services agreements.
  - c. Assist the Chief Investment Officer as needed in preparing RFPs.
  - d. Review Investment Services agreements before execution for compliance with legal requirements and to provide assessment of any legal risk.
  - e. Together with the Chief Investment Officer, negotiate Investment Services agreements.

**F. Policy Review.**

- 1. This Policy is subject to change in the exercise of the Board's judgment.
- 2. The Board will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.

3. In the event of legislative changes to the pertinent sections addressed in the Policy, the Board will review the Policy as appropriate.
4. This Policy was originally adopted by the Board on June 25, 2021. The dates of subsequent review and amendments shall be recorded below.

October 13, 2023 – reviewed and amended.

September 13, 2024 – amended.

DRAFT

# Verus Quarterly Investment Report

- Representatives from IPOPIF Consultant, Verus, will review the investment markets and IPOPIF performance.
- The following Investment Performance Review Report from Verus provides detailed observations and analysis of the investment landscape and IPOPIF investment performance as of 6/30/24.
- Verus Consultant and the IPOPIF Chief Investment Officer will take questions and guidance from the Board of Trustees.



**PERIOD ENDING: June 30, 2024**

Investment Performance Review for

**Illinois Police Officer's Pension Investment Fund**

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

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

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# Executive Summary

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Executive Summary

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- Total assets increased by over \$140 million to \$10.5 billion over the quarter, reflecting modest returns from risk assets, while fixed income was flat to mildly positive depending on the duration profile.
- Emerging market equities outperformed during the second quarter, returning 5.0%, despite significant ongoing underperformance of China. U.S. equities were closely behind (S&P 500 returned 4.3% in the second quarter), setting a new all-time-high price level. In contrast, international developed market equities were flat during the quarter.
- The IPOPIF Investment Portfolio returned 1.3% for the quarter, which slightly outperformed the Policy Index return of 1.2%, but trailed the Broad-Based Policy Index of 1.4%, which reflects its higher equity allocation.
- Since inception in April 2022, the IPOPIF Portfolio has returned 3.9% on an average annualized basis through the end of the second quarter, compared to the Policy Index of 4.0% and the Broad-Based Policy Index of 3.6%.
- The IPOPIF Portfolio performed better than its median peer and ranked in the 35<sup>th</sup> percentile for the quarter in a representative universe of Public Pensions with assets greater than \$1 billion.
- The IPOPIF investment team actively monitors current asset allocations vs. policy targets and conducts rebalancing trades as appropriate. As of June 30, 2024, all asset classes were within policy target ranges.

Notes:

The broad-Based Policy Index represents a passively invested 70/30 global stock / U.S. bond portfolio.

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# Investment Landscape



# 2<sup>nd</sup> quarter summary

## THE ECONOMY

- U.S. inflation (CPI) fell to 3.0% YoY in June, following two consecutive months of flat prices (0.0% in May and -0.1% in June). The report reflected a slowing in shelter costs, which have been a primary hurdle for inflation reaching the 2% Federal Reserve target. If the slowing of shelter prices persists, inflation could fall rather quickly. Core inflation (ex-Food & Energy) was 3.3% year-over-year in June.
- The U.S. labor market remains strong, but recently some cracks of weakness have appeared. Unemployment jumped unexpectedly to 4.1% in June—a level not seen since 2021. Jobless claims have also been rising. This negative data could prove to be a continuation of the trend towards a more balanced labor market, though it will be important to monitor conditions closely.

## EQUITY

- Emerging market equities outperformed during Q2, up +5.0%, despite significant ongoing underperformance of China. U.S. equities were close behind (S&P 500 +4.3%), setting a new all-time-high price level. In contrast, international developed equities were flat.
- Small cap and value style investing underperformed. Small cap lagged large cap by -6.9% while value underperformed growth by -10.5%. The style premia performance gap was even wider over the past year, as small cap underperformed large cap by -13.8% and value underperformed growth by -20.4%.

## FIXED INCOME

- The 10-year U.S. Treasury yield increased slightly from 4.20% to 4.36% during Q2, resulting in near-zero or negative performance for high quality fixed income of a longer duration profile.
- Default activity in loans and credit reached a one-year low at the end of Q2. However, the gap between bank loan and high yield default activity has increased to a 10-year high, with total volume of distressed or defaults comprised of loans (80%) to bonds (20%) on pace for a record high.

## ASSET ALLOCATION ISSUES

- Many goods and services prices have been falling in areas such as autos, energy, and transportation. This trend has occurred alongside signs of weakness in the job market and consumer spending, and has reignited hopes for lower inflation, which would ease pressures on household budgets and allow for interest rate cuts. It is possible that an economic *soft landing* may be occurring, which would suggest lower rates and further gains for risk assets.
- Market-priced volatility (Cboe VIX Index) remained very low, ending at 12.4% in June. This has raised eyebrows, given a variety of risks that domestic equities face, but low volatility is typical of strongly up trending equity environments. Markets continue to present a unique environment of low equity volatility but high fixed income volatility. This gap has closed somewhat, as bond market implied volatility has receded.

Risk assets delivered moderate returns in Q2, while fixed income was flat to mildly positive, depending on duration profile

*A soft landing appears possible for the U.S. economy*

# What drove the market in Q2?

## “The US Economy is showing clear signs of a slowdown”

### Employment change, Non-farm payrolls

January	February	March	April	May	June
256k	236k	240k	108k	218k	206k

Article Source: Bloomberg, July 8<sup>th</sup>, 2024

## “Earnings bolster US stocks, but crucial inflation report looms”

### S&P 500 EPS Growth, Year-over-year

Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
+4.3%	-1.5%	-2.0%	-5.0%	+4.1%	+6.9%

Article Source: Reuters, May 14<sup>th</sup>, 2024

## “Slowing U.S. inflation fuels expectations of interest rate cuts”

### Consumer Price Index, Year-over-year change

Jan 23	Feb 24	March 24	April 24	May 24	June 24
3.1%	3.2%	3.5%	3.4%	3.3%	3.0%

Article Source: Wall Street Journal, June 28<sup>th</sup>, 2024

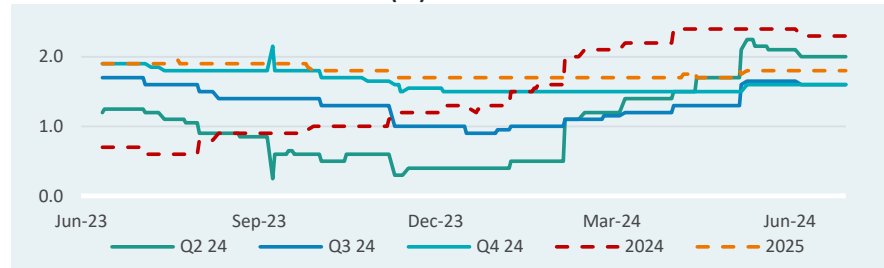
## “European Central Bank cuts interest rates for first time in 5 years”

### ECB Overnight Rate, Actual and Implied

March 24	June 24	Sep 24 (E)	Dec 24 (E)	March 25 (E)	June 25 (E)
4.0%	3.75%	3.45%	3.20%	2.98%	2.75%

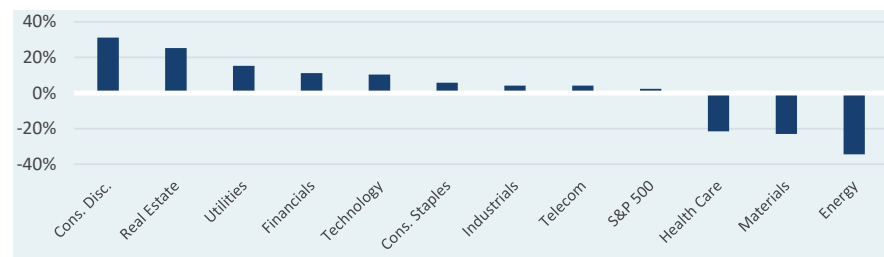
Article Source: Financial Times, June 6<sup>th</sup>, 2024

## US GDP GROWTH PROJECTIONS (%)



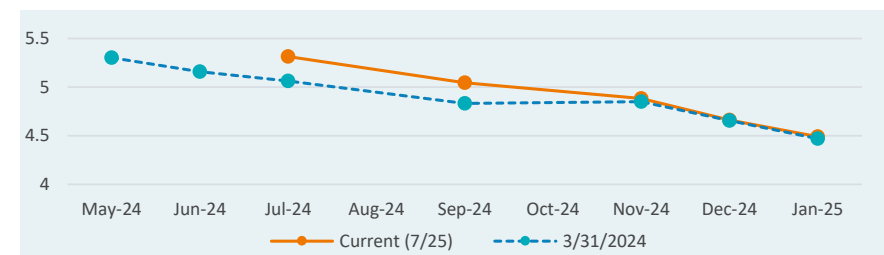
Source: Bloomberg, as of 6/30/24

## S&P 500 TRAILING 12M EARNINGS GROWTH, YOY



Source: Bloomberg, as of 6/30/24

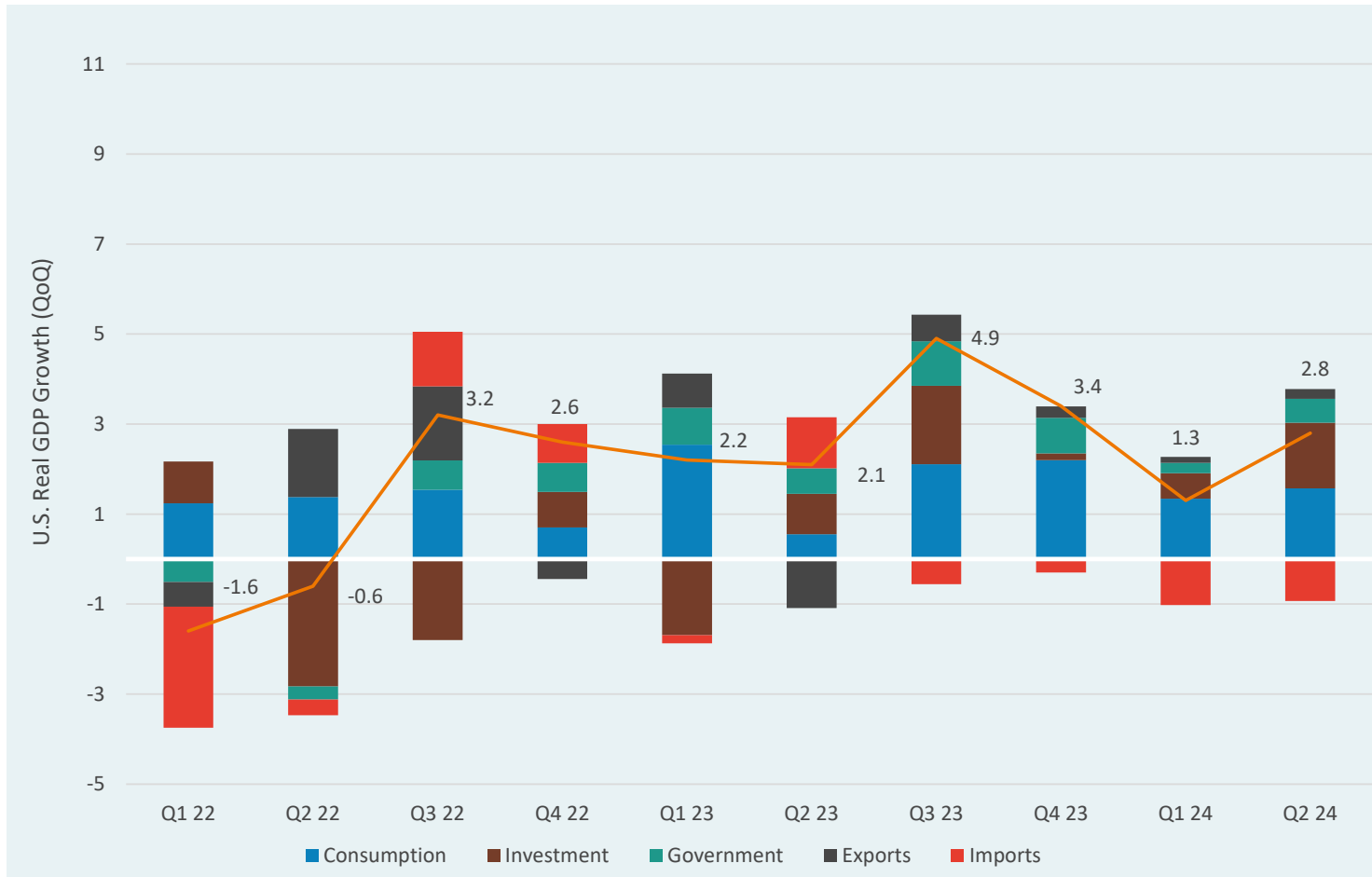
## U.S. MARKET IMPLIED FUTURE INTEREST RATES (%)



Source: Bloomberg, as of 7/25/24

# U.S. GDP

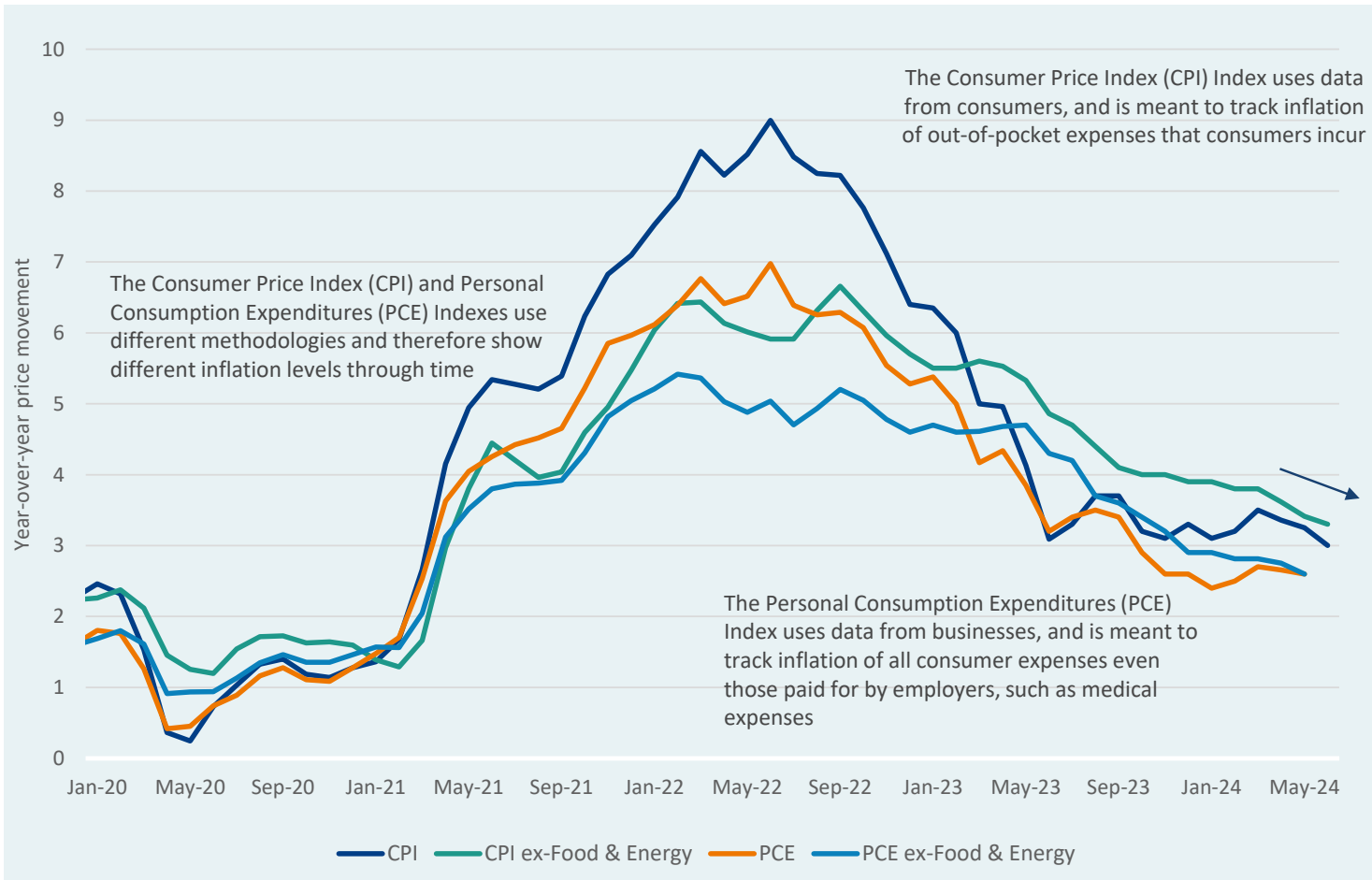
GDP surprised to the upside, following data that had suggested broad economic cooling



Source: FRED, Verus, as of 6/30/24

# Inflation conditions are normalizing

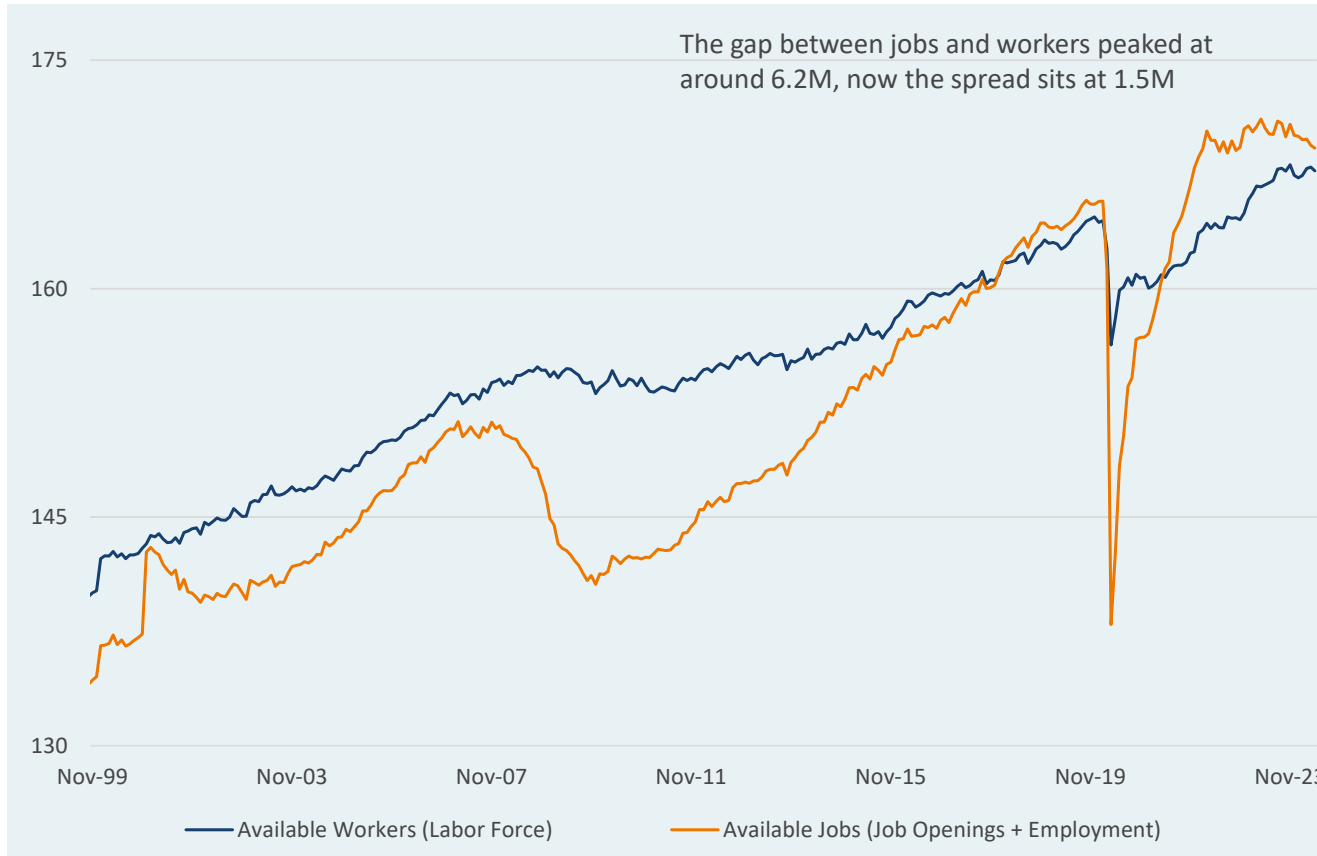
Moderating price pressures in recent months have helped to push year-over-year CPI inflation to 3.0%



Source: FRED, Verus, PCE data as of 5/31/24, CPI data as of 6/30/24

# Labor market unwinding its tightness...

## JOBS AVAILABLE VS. WORKERS AVAILABLE

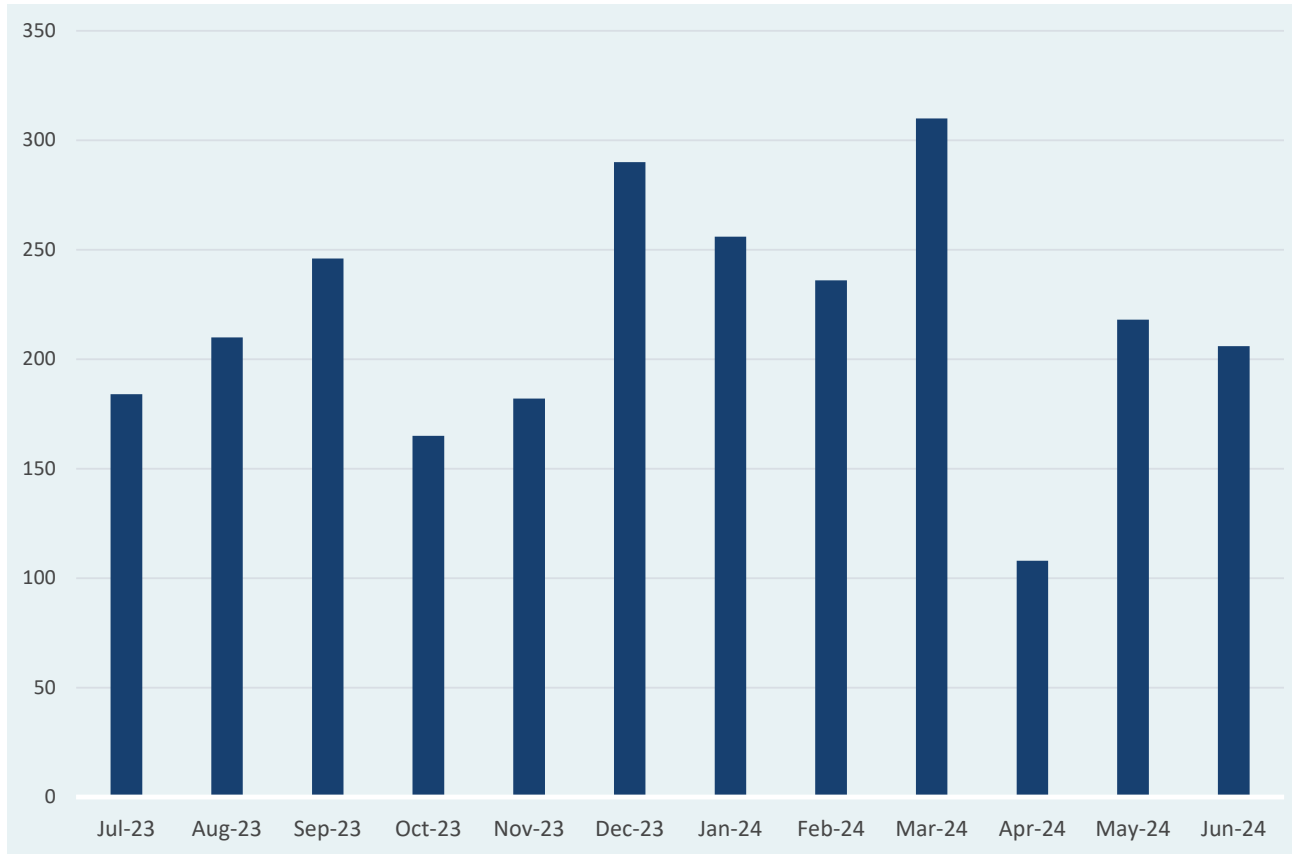


Loosening in the labor market has actually brought conditions closer to normal levels, as the structural mismatch between jobs available and workers available had created incredibly tight labor conditions

Source: BLS, as of 6/30/24. JOLTS data as of 5/31/24

# ...and showing signs of cooling

MONTHLY NONFARM PAYROLL ADDITIONS

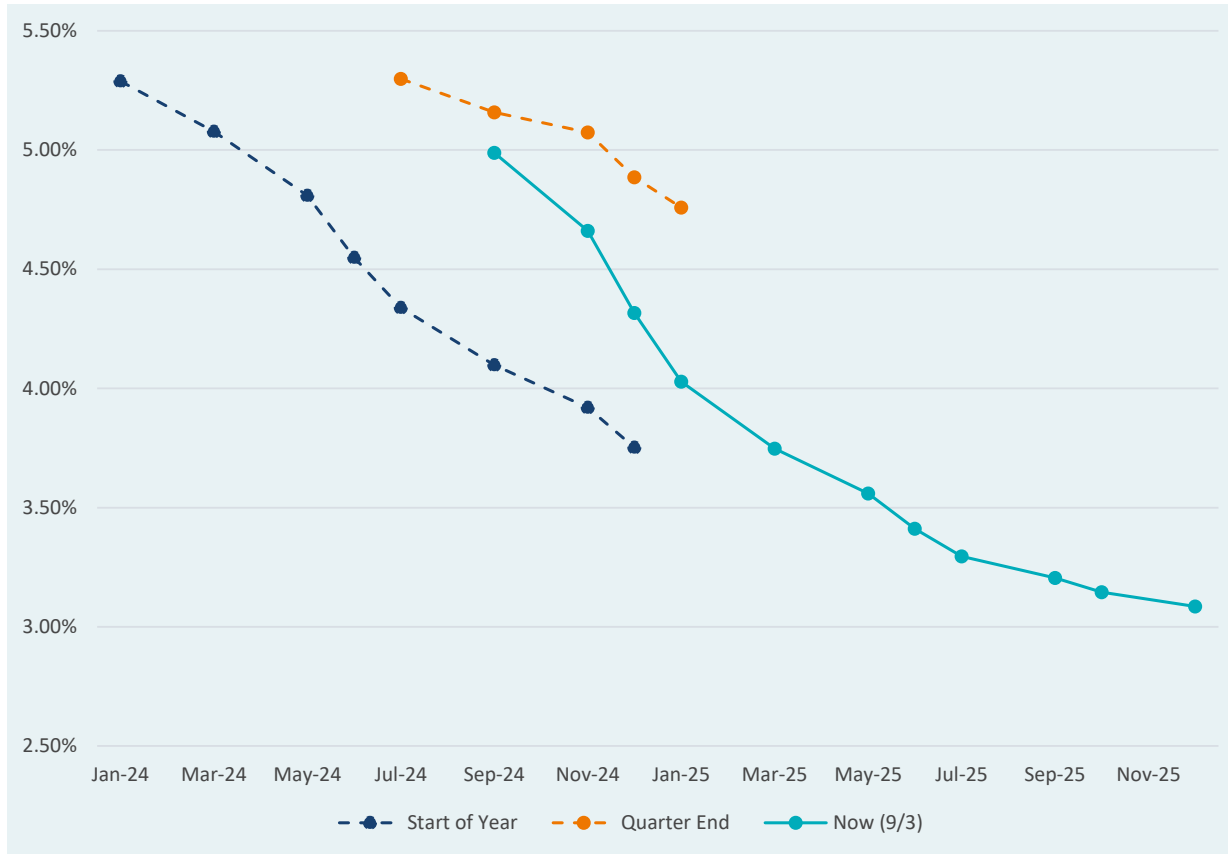


Monthly job additions dropped considerably in Q2, driving fears of broader economic slowdown

Source: BLS, as of 6/30/24

# Rate path expectations continue to change

FED FUNDS FUTURES IMPLIED 2024 RATE PATH



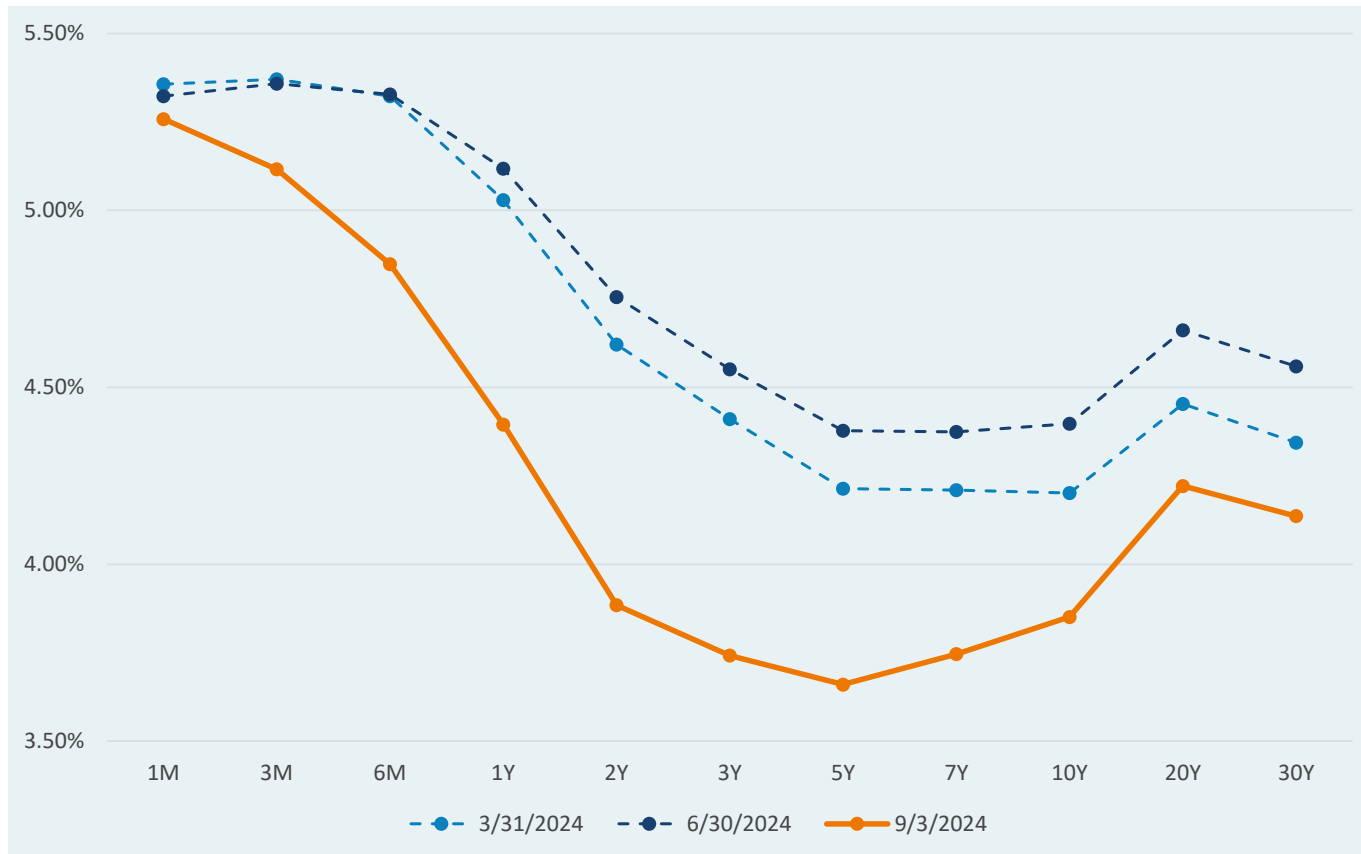
The previous quarter has shown signs of cooling, both regarding inflation and broader economic slowing

Markets are now pricing in a full rate cut at the September meeting, with additional cuts by the end of the year

Source: Bloomberg, as of 9/3/24

# The yield curve has adjusted accordingly

U.S. TREASURY CURVE



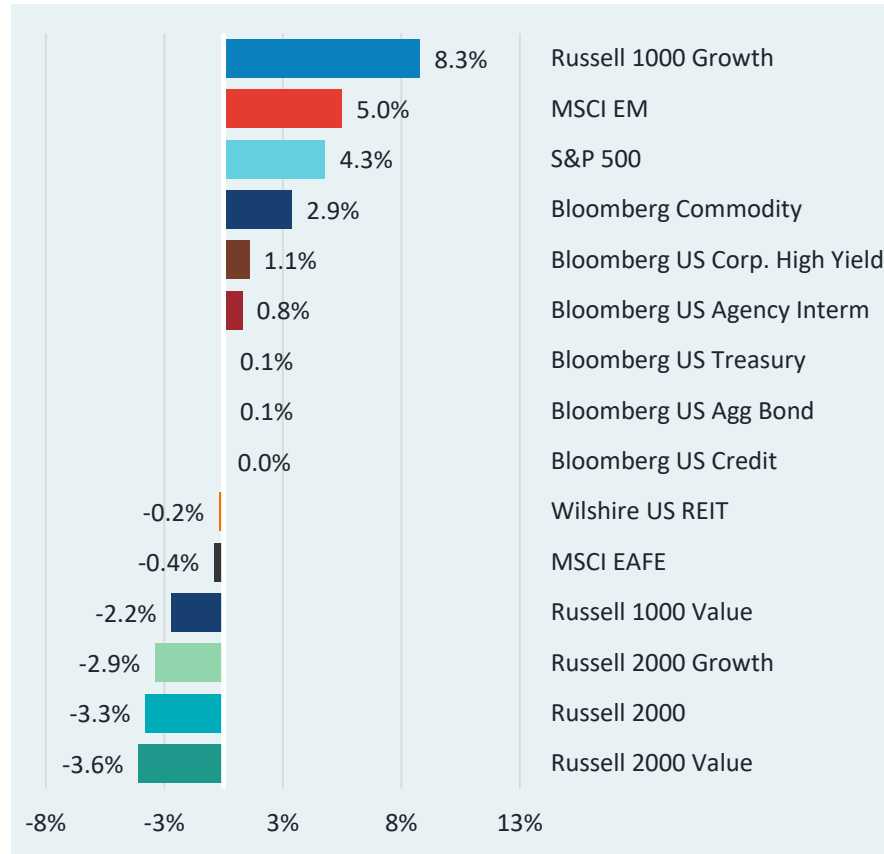
The short end and belly of the curve has moved considerably downwards since the end of the quarter

Source: Bloomberg, as of 9/3/24

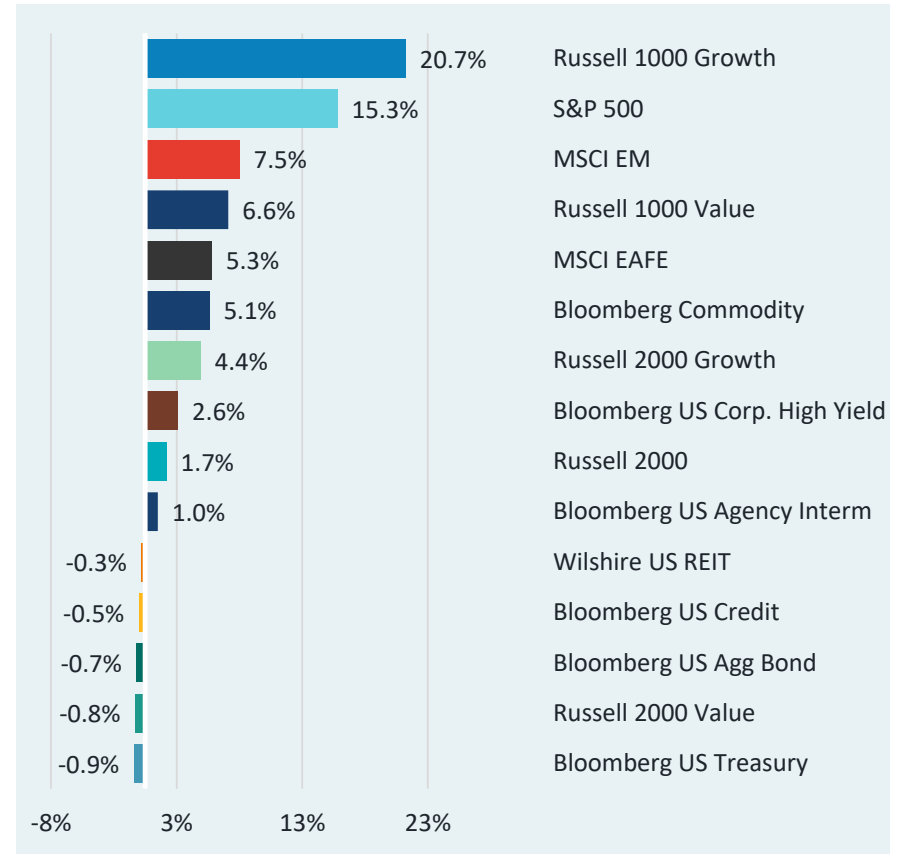


# Major asset class returns

ONE QUARTER ENDING JUNE



YEAR-TO-DATE ENDING JUNE



\*Only publicly traded asset performance is shown here.

Source: Morningstar, as of 6/30/24

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	3.6	4.3	15.3	24.6	10.0	15.0	12.9
S&P 500 Equal Weighted	(0.5)	(2.6)	5.1	11.8	4.8	10.9	10.0
DJ Industrial Average	1.2	(1.3)	4.8	16.0	6.4	10.3	11.3
Russell Top 200	4.5	5.7	17.2	27.4	10.9	16.4	13.8
Russell 1000	3.3	3.6	14.2	23.9	8.7	14.6	12.5
Russell 2000	(0.9)	(3.3)	1.7	10.1	(2.6)	6.9	7.0
Russell 3000	3.1	3.2	13.6	23.1	8.1	14.1	12.1
Russell Mid Cap	(0.7)	(3.3)	5.0	12.9	2.4	9.5	9.0
<b>Style Index</b>							
Russell 1000 Growth	6.7	8.3	20.7	33.5	11.3	19.3	16.3
Russell 1000 Value	(0.9)	(2.2)	6.6	13.1	5.5	9.0	8.2
Russell 2000 Growth	(0.2)	(2.9)	4.4	9.1	(4.9)	6.2	7.4
Russell 2000 Value	(1.7)	(3.6)	(3.6)	10.9	(0.5)	7.1	6.2

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI ACWI	2.2	2.9	11.3	19.4	5.4	10.8	8.4
MSCI ACWI ex US	(0.1)	1.0	5.7	11.6	0.5	5.5	3.8
MSCI EAFE	(1.6)	(0.4)	5.3	11.5	2.9	6.5	4.3
MSCI EM	3.9	5.0	7.5	12.5	(5.1)	3.1	2.8
MSCI EAFE Small Cap	(3.0)	(1.8)	0.5	7.8	(3.4)	4.2	4.3
<b>Style Index</b>							
MSCI EAFE Growth	(0.4)	(0.8)	6.2	9.4	0.1	6.5	5.4
MSCI EAFE Value	(2.8)	0.0	4.5	13.7	5.5	6.1	3.0
<b>Regional Index</b>							
MSCI UK	(1.8)	3.7	6.9	12.5	6.9	5.7	2.7
MSCI Japan	(0.7)	(4.3)	6.3	13.1	2.3	6.6	5.5
MSCI Euro	(3.3)	(2.8)	5.4	10.1	3.6	7.2	4.1
MSCI EM Asia	5.0	7.4	11.0	15.1	(5.5)	4.6	4.5
MSCI EM Latin American	(6.1)	(12.2)	(15.7)	(5.6)	0.9	0.1	(0.3)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
Bloomberg US TIPS	0.8	0.8	0.7	2.7	(1.3)	2.1	1.9
Bloomberg US Treasury Bills	0.4	1.3	2.6	5.5	3.0	2.2	1.5
Bloomberg US Agg Bond	0.9	0.1	(0.7)	2.6	(3.0)	(0.2)	1.3
Bloomberg US Universal	0.9	0.2	(0.3)	3.5	(2.7)	0.1	1.6
<b>Duration</b>							
Bloomberg US Treasury 1-3 Yr	0.6	0.9	1.2	4.5	0.3	1.0	1.1
Bloomberg US Treasury Long	1.7	(1.8)	(5.0)	(5.6)	(10.5)	(4.3)	0.6
Bloomberg US Treasury	1.0	0.1	(0.9)	1.5	(3.3)	(0.7)	0.9
<b>Issuer</b>							
Bloomberg US MBS	1.2	0.1	(1.0)	2.1	(2.9)	(0.8)	0.9
Bloomberg US Corp. High Yield	0.9	1.1	2.6	10.4	1.6	3.9	4.3
Bloomberg US Agency Interm	0.7	0.8	1.0	4.5	(0.5)	0.6	1.2
Bloomberg US Credit	0.7	(0.0)	(0.5)	4.4	(2.9)	0.5	2.2

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	(1.5)	2.9	5.1	5.0	5.7	7.2	(1.3)
Wilshire US REIT	3.0	(0.2)	(0.3)	8.6	0.3	4.0	5.9
CS Leveraged Loans	0.3	1.9	4.4	11.0	6.0	5.4	4.6
S&P Global Infrastructure	(2.9)	2.7	4.0	7.0	5.6	4.3	4.6
Alerian MLP	4.7	3.8	19.2	34.2	22.3	11.1	1.9
<b>Regional Index</b>							
JPM EMBI Global Div	0.6	0.3	2.3	9.2	(3.5)	0.6	3.2
JPM GBI-EM Global Div	(1.1)	(1.6)	0.7	0.7	(3.3)	(1.3)	(0.9)
<b>Hedge Funds</b>							
HFRI Composite	(0.2)	0.4	4.8	9.6	2.8	6.6	4.8
HFRI FOF Composite	0.1	0.4	4.6	8.4	2.0	4.8	3.5
<b>Currency (Spot)</b>							
Euro	(1.3)	(1.8)	(3.0)	(1.8)	(3.3)	(1.2)	(2.4)
Pound Sterling	(0.7)	0.3	(0.8)	(0.6)	(2.9)	(0.1)	(3.0)
Yen	(2.3)	(10.1)	(12.4)	(10.2)	(11.6)	(7.7)	(4.5)

Source: Morningstar, HFRI, as of 6/30/24

# Definitions

**Bloomberg US Weekly Consumer Comfort Index** - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. ([www.langerresearch.com](http://www.langerresearch.com))

**University of Michigan Consumer Sentiment Index** - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. ([www.Bloomberg.com](http://www.Bloomberg.com))

**NFIB Small Business Outlook** - Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federation of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (<http://www.nfib-sbet.org/about/>)

**NAHB Housing Market Index** – the housing market index is a weighted average of separate diffusion indexes for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula  $(\text{Good-Poor} + 100)/2$  to the present and future sales series and  $(\text{High/Very High-Low/Very Low} + 100)/2$  to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.

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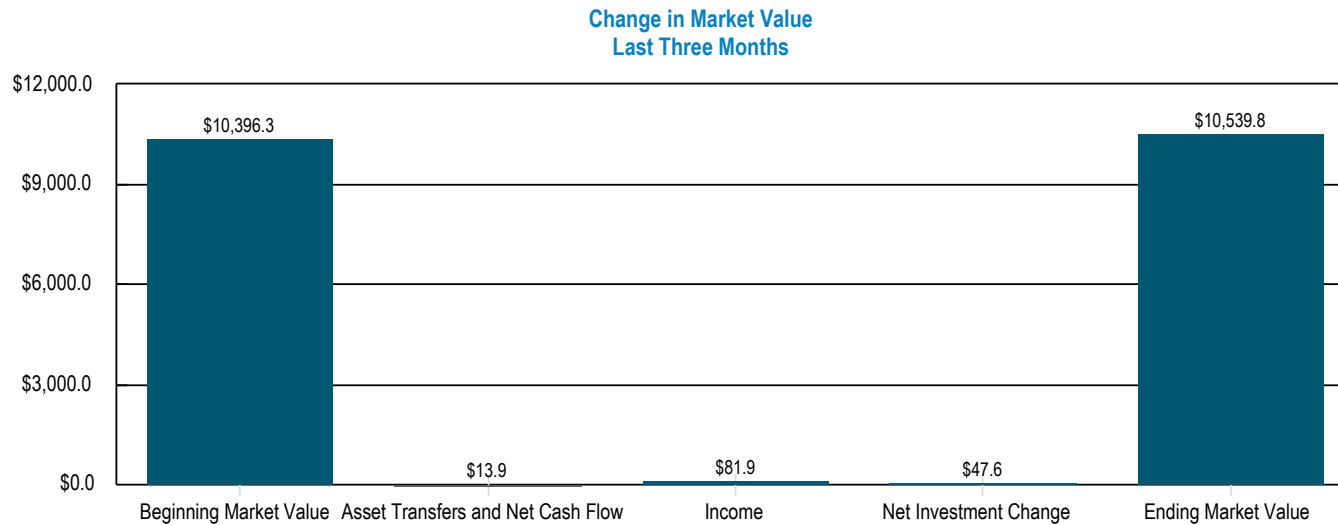
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# Performance Review

Total Fund  
Portfolio Reconciliation

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Portfolio Reconciliation		
	Quarter-To-Date	Fiscal Year-To-Date
Beginning Market Value	\$10,396,348,721	\$9,387,424,024
Asset Transfers and Net Cash	\$13,923,784	\$39,272,807
Income	\$81,943,915	\$313,548,173
Net Investment Change	\$47,553,175	\$799,524,591
<b>Ending Market Value</b>	<b>\$10,539,769,594</b>	<b>\$10,539,769,594</b>

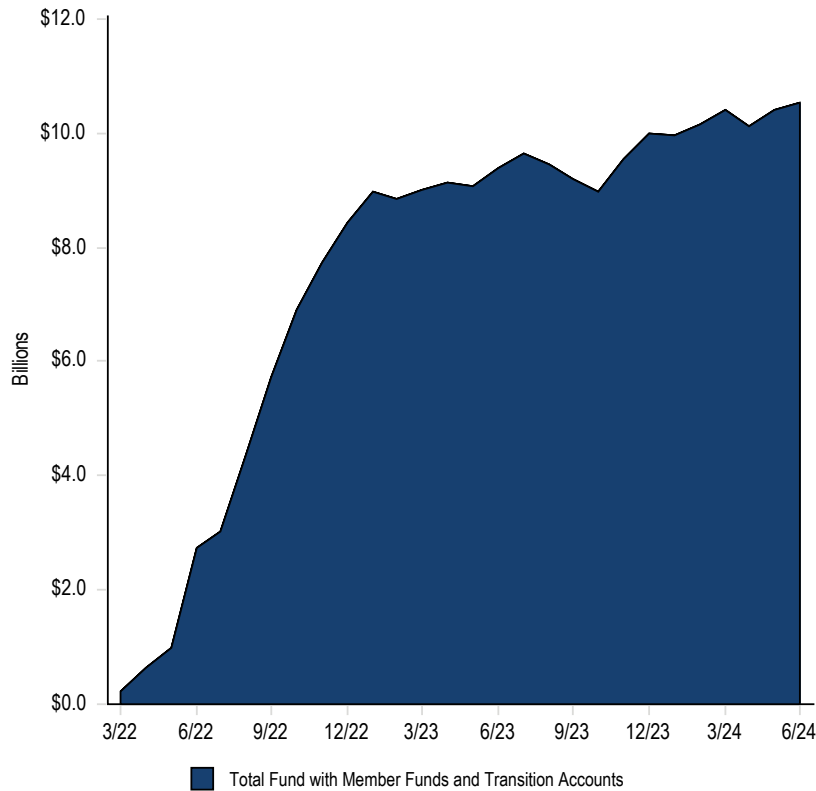


*The portfolio reconciliation includes the Member Funds and Transition Account. Income excludes Member Funds and Transition Account. Income is calculated using the actual dividend and income received from separate accounts and estimated income and dividends for commingled funds. The income and dividends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

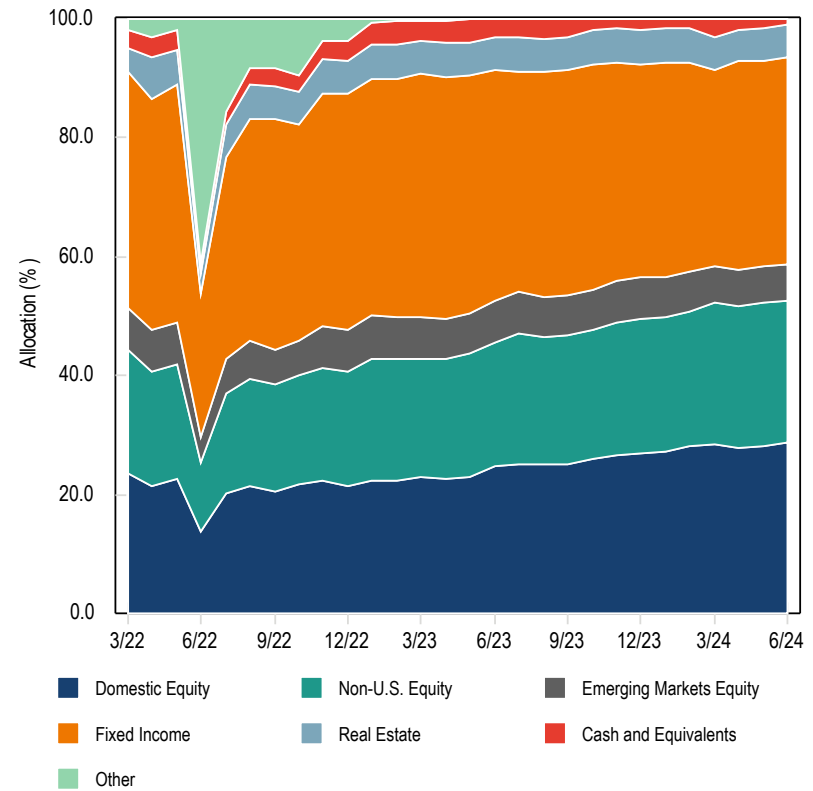
Total Fund  
Asset Allocation History

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Market Value History



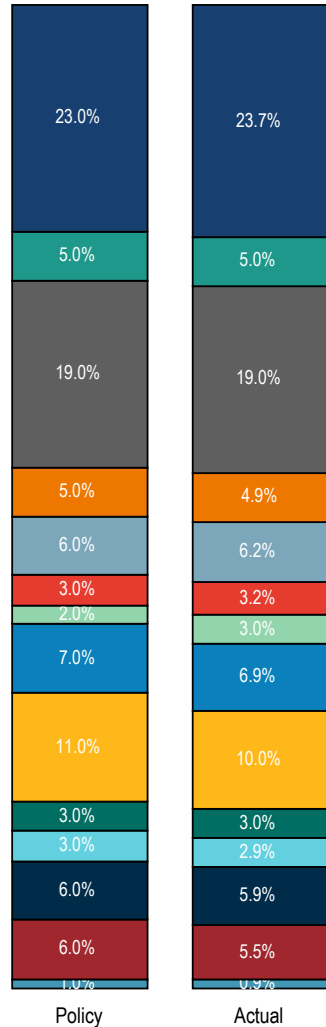
Asset Allocation History



\*Market value and asset class history includes Transition Accounts and Member Funds as represented by the Other category in the asset allocation history chart. The large allocation to the Other Category for 6/22 reflects assets in transition associated with the 6/24/22 Transfer Date.

IPOPIF Investment Portfolio  
Asset Allocation vs. Policy

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (%)	Excess Allocation (\$)	Policy Range (%)	Within IPS Range?
Domestic Equity Large Cap	2,496,600,162	23.7	23.0	0.7	72,453,155	21.0 - 25.0	Yes
Domestic Equity Small Cap	522,664,461	5.0	5.0	0.0	-4,324,019	4.0 - 6.0	Yes
International Equity Large Cap	2,002,332,057	19.0	19.0	0.0	-224,166	17.0 - 21.0	Yes
International Equity Small Cap	517,283,566	4.9	5.0	-0.1	-9,704,914	4.0 - 6.0	Yes
Emerging Markets Equity	650,735,962	6.2	6.0	0.2	18,349,786	5.0 - 7.0	Yes
Domestic Fixed Income Core	340,632,002	3.2	3.0	0.2	24,438,914	2.0 - 4.0	Yes
Domestic Fixed Income Government	312,777,339	3.0	2.0	1.0	101,981,947	1.0 - 3.0	Yes
Domestic Fixed Income High Yield	727,292,077	6.9	7.0	-0.1	-10,491,795	6.0 - 8.0	Yes
Domestic Fixed Income Short Term	1,049,022,009	10.0	11.0	-1.0	-110,352,646	9.0 - 13.0	Yes
Domestic Fixed Income Real Return	315,325,968	3.0	3.0	0.0	-867,120	2.0 - 4.0	Yes
Domestic Fixed Income Bank Loans	306,787,451	2.9	3.0	-0.1	-9,405,637	2.0 - 4.0	Yes
Emerging Markets Fixed Income	625,225,679	5.9	6.0	-0.1	-7,160,496	5.0 - 7.0	Yes
Real Estate - Equity	583,297,608	5.5	6.0	-0.5	-49,088,568	5.0 - 7.0	Yes
Cash and Equivalents	89,793,255	0.9	1.0	-0.1	-15,604,441	0.0 - 2.0	Yes
<b>Total</b>	<b>10,539,769,594</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>			

Asset Allocation reflects interim policy targets and excludes the Transition Account and Member Funds.

Total Fund  
Executive Summary (Net of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	Since Inception	Inception Date
<b>Total Fund with Member and Transition Accounts</b>	<b>10,539,769,594</b>	<b>100.0</b>	<b>1.3</b>	<b>5.4</b>	<b>11.9</b>	<b>11.9</b>	<b>4.1</b>	<b>03/01/22</b>
<i>Policy Index</i>			1.2	5.4	12.0	12.0	4.0	
<i>Policy Index- Broad Based</i>			1.4	6.2	13.1	13.1	3.7	
<b>IPOPIF Investment Portfolio</b>	<b>10,539,769,594</b>	<b>100.0</b>	<b>1.3</b>	<b>5.4</b>	<b>11.9</b>	<b>11.9</b>	<b>3.9</b>	<b>04/01/22</b>
<i>Policy Index</i>			1.2	5.4	12.0	12.0	4.0	
<i>Policy Index- Broad Based</i>			1.4	6.2	13.1	13.1	3.6	
<b>Growth</b>	<b>6,189,616,207</b>	<b>58.7</b>	<b>1.6</b>	<b>8.4</b>	<b>16.0</b>	<b>16.0</b>	<b>5.5</b>	<b>04/01/22</b>
<i>Growth Benchmark</i>			1.4	8.3	16.0	16.0	5.3	
<b>Income</b>	<b>1,659,305,207</b>	<b>15.7</b>	<b>0.9</b>	<b>2.7</b>	<b>10.3</b>	<b>10.3</b>	<b>2.3</b>	<b>04/01/22</b>
<i>Income Benchmark</i>			0.9	2.6	10.1	10.1	3.4	
<b>Real Assets</b>	<b>583,297,608</b>	<b>5.5</b>	<b>-0.4</b>	<b>-1.2</b>	<b>2.4</b>	<b>2.4</b>	<b>-2.9</b>	<b>04/01/22</b>
<i>Real Assets Benchmark</i>			-0.3	-1.3	1.6	1.6	-6.1	
<b>Risk Mitigation</b>	<b>2,107,450,667</b>	<b>20.0</b>	<b>1.0</b>	<b>1.4</b>	<b>4.7</b>	<b>4.7</b>	<b>1.6</b>	<b>04/01/22</b>
<i>Risk Mitigation Benchmark</i>			1.0	1.3	4.7	4.7	1.5	
<b>IPOPIF Pool Fixed Income Transition</b>	<b>99,906</b>	<b>0.0</b>						
Member Accounts	-	0.0						

The composition of blended benchmarks are located on the Data Sources and Methodology page.



Total Fund  
Executive Summary (Net of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	2023	Since Inception	Inception Date
<b>Total Fund with Member and Transition Accounts</b>	<b>10,539,769,594</b>	<b>100.0</b>	<b>1.3</b>	<b>5.4</b>	<b>11.9</b>	<b>11.9</b>	<b>13.7</b>	<b>4.1</b>	<b>03/01/22</b>
<i>Policy Index</i>			1.2	5.4	12.0	12.0	14.2	4.0	
<i>Policy Index- Broad Based</i>			1.4	6.2	13.1	13.1	16.8	3.7	
<i>All Public Plans &gt; \$1B-Total Fund Rank</i>			35	33	10	10	11	38	
<b>IPOPIF Investment Portfolio</b>	<b>10,539,769,594</b>	<b>100.0</b>	<b>1.3</b>	<b>5.4</b>	<b>11.9</b>	<b>11.9</b>	<b>13.7</b>	<b>3.9</b>	<b>04/01/22</b>
<i>Policy Index</i>			1.2	5.4	12.0	12.0	14.2	4.0	
<i>Policy Index- Broad Based</i>			1.4	6.2	13.1	13.1	16.8	3.6	
<i>All Public Plans &gt; \$1B-Total Fund Rank</i>			35	33	10	10	11	36	
<b>Growth</b>	<b>6,189,616,207</b>	<b>58.7</b>	<b>1.6</b>	<b>8.4</b>	<b>16.0</b>	<b>16.0</b>	<b>19.4</b>	<b>5.5</b>	<b>04/01/22</b>
<i>Growth Benchmark</i>			1.4	8.3	16.0	16.0	19.5	5.3	
RhumbLine Russell 1000 Index	2,496,600,162	23.7	3.6	14.2	23.8	23.8	26.5	13.5	03/15/22
<i>Russell 1000 Index</i>			3.6	14.2	23.9	23.9	26.5	13.6	
<i>eV US Large Cap Core Equity Rank</i>			39	47	45	45	24		
RhumbLine Russell 2000 Index	522,664,461	5.0	-3.2	1.8	10.0	10.0	16.8	3.6	03/15/22
<i>Russell 2000 Index</i>			-3.3	1.7	10.1	10.1	16.9	3.9	
<i>eV US Small Cap Core Equity Rank</i>			50	62	54	54	56		
SSgA Non-US Developed Index	2,002,332,057	19.0	-0.5	5.2	11.6	11.6	18.3	8.0	03/10/22
<i>MSCI World ex U.S. (Net)</i>			-0.6	5.0	11.2	11.2	17.9	7.6	
<i>eV EAFE Core Equity Rank</i>			52	42	40	40	35		
<b>International Developed Small Cap Equity</b>	<b>517,283,566</b>	<b>4.9</b>	<b>1.0</b>	<b>3.0</b>	<b>10.1</b>	<b>10.1</b>	<b>12.9</b>	<b>0.0</b>	<b>04/01/22</b>
<i>MSCI World ex U.S. Small Cap Index (Net)</i>			-1.6	1.0	7.8	7.8	12.6	-1.2	
Acadian ACWI ex US Small-Cap Fund	267,368,105	2.5	3.0	-	-	-	-	8.2	01/30/24
<i>MSCI AC World ex USA Small Cap (Net)</i>			0.7	2.8	-	-	-	5.3	
<i>eV ACWI ex-US Small Cap Equity Rank</i>			11	-	-	-	-		
WCM International Small Cap Growth Fund	123,182,340	1.2	-1.6	-	-	-	-	-1.3	03/01/24
<i>MSCI AC World ex USA Small Cap (Net)</i>			0.7	-	-	-	-	3.5	
<i>eV ACWI ex-US Small Cap Equity Rank</i>			77	-	-	-	-	91	
LSV International Small Cap Value Equity Fund	126,733,121	1.2	-0.4	-	-	-	-	3.2	03/01/24
<i>S&amp;P Developed Ex-U.S. SmallCap (Net)</i>			-1.0	-	-	-	-	3.1	
<i>eV EAFE Small Cap Value Rank</i>			76	-	-	-	-	81	

The composition of blended benchmarks are located on the Data Sources and Methodology page. Principal USPA does not show a Since 4/1/2022 return because the fund was inception on 4/6/2022.

Total Fund  
Executive Summary (Net of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	2023	Since Inception	Inception Date
<b>Emerging Market Equities</b>	<b>650,735,962</b>	<b>6.2</b>	<b>5.2</b>	<b>7.6</b>	<b>12.3</b>	<b>12.3</b>	<b>9.7</b>	<b>1.0</b>	<b>04/01/22</b>
<i>MSCI Emerging Markets (Net)</i>			5.0	7.5	12.5	12.5	9.8	0.6	
SSgA Emerging Markets Equity Index	340,140,081	3.2	4.7	7.1	11.7	11.7	9.6	1.8	03/10/22
<i>MSCI Emerging Markets (Net)</i>			5.0	7.5	12.5	12.5	9.8	2.7	
<i>eV Emg Mkts Equity Rank</i>			47	51	55	55	64		
SSgA Emerging Markets ex China Equity	310,595,881	2.9	-	-	-	-	-	5.5	05/01/24
<i>MSCI Emerging Markets ex China (Net)</i>			-	-	-	-	-	6.0	
<i>eV Emg Mkts Equity Rank</i>			-	-	-	-	-	20	
<b>Income</b>	<b>1,659,305,207</b>	<b>15.7</b>	<b>0.9</b>	<b>2.7</b>	<b>10.3</b>	<b>10.3</b>	<b>12.8</b>	<b>2.3</b>	<b>04/01/22</b>
<i>Income Benchmark</i>			0.9	2.6	10.1	10.1	12.6	3.4	
SSgA High Yield Corporate Credit	727,292,077	6.9	1.1	2.7	10.6	10.6	13.8	3.6	03/18/22
<i>Spliced SSgA U.S. High Yield Index</i>			1.1	2.6	10.5	10.5	13.5	3.6	
<i>eV US High Yield Fixed Inc Rank</i>			65	58	26	26	12		
SSgA EMD Hard Index Fund	625,225,679	5.9	0.3	2.4	9.3	9.3	11.2	2.1	03/14/22
<i>Spliced SSgA EMD Hard Index</i>			0.3	2.3	9.2	9.2	11.1	2.2	
<i>Emerging Markets Bond Rank</i>			51	50	45	45	52		
<b>Bank Loans</b>	<b>306,787,451</b>	<b>2.9</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	<b>03/01/24</b>
<i>Credit Suisse Leveraged Loan Index</i>			1.9	-	-	-	-	2.7	
Ares Institutional Loan Fund	102,476,499	1.0	2.0	-	-	-	-	3.0	03/01/24
<i>Credit Suisse Leveraged Loan Index</i>			1.9	-	-	-	-	2.7	
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			22	-	-	-	-	26	
Aristotle Institutional Loan Fund	204,310,952	1.9	1.6	-	-	-	-	2.7	03/01/24
<i>Credit Suisse Leveraged Loan Index</i>			1.9	-	-	-	-	2.7	
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			67	-	-	-	-	50	
<b>Real Assets</b>	<b>583,297,608</b>	<b>5.5</b>	<b>-0.4</b>	<b>-1.2</b>	<b>2.4</b>	<b>2.4</b>	<b>5.6</b>	<b>-2.9</b>	<b>04/01/22</b>
<i>Real Assets Benchmark</i>			-0.3	-1.3	1.6	1.6	4.7	-6.1	
SSgA REITs Index	425,437,445	4.0	-0.2	-0.6	7.1	7.1	13.9	-3.8	03/16/22
<i>Dow Jones U.S. Select REIT Total Return Index</i>			-0.2	-0.6	7.1	7.1	14.0	-3.7	
<i>eV US REIT Rank</i>			46	32	28	28	35		
Principal USPA	157,860,163	1.5	-0.9	-2.8	-8.7	-8.7	-10.7	-7.4	04/06/22
<i>NFI-ODCE Equal-Weighted Index</i>			-0.8	-3.2	-10.3	-10.3	-13.3	-7.6	

The composition of blended benchmarks are located on the Data Sources and Methodology page. Principal USPA does not show a Since 4/1/2022 return because the fund was inception on 4/6/2022.

Total Fund  
Executive Summary (Net of Fees)

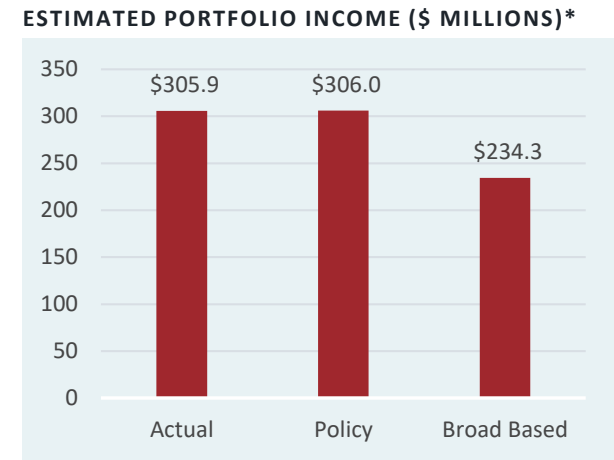
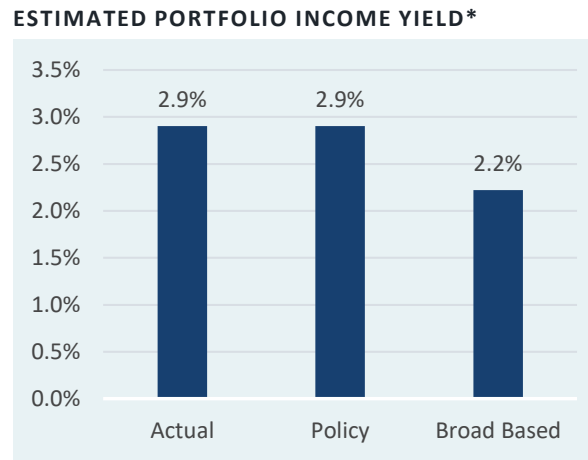
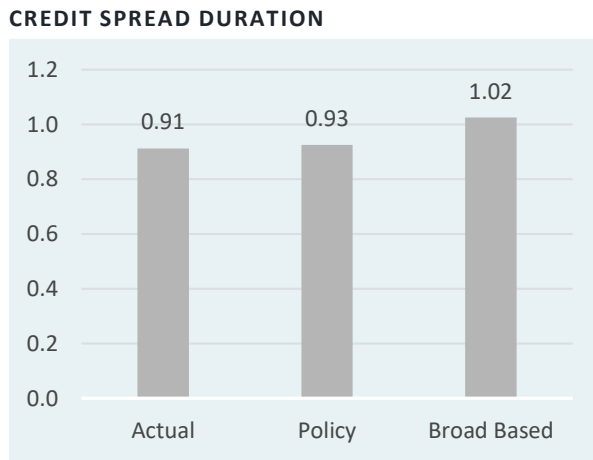
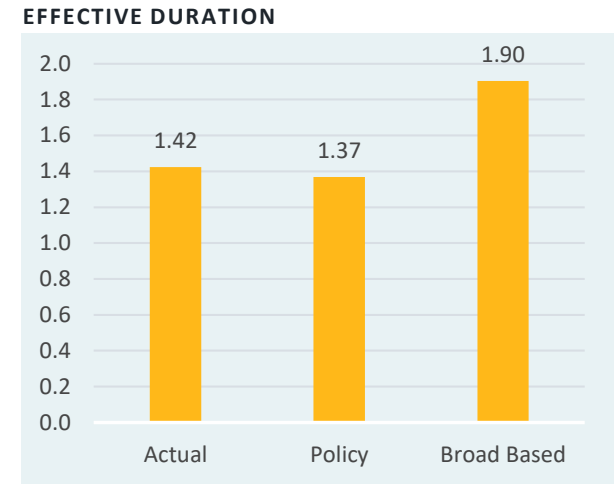
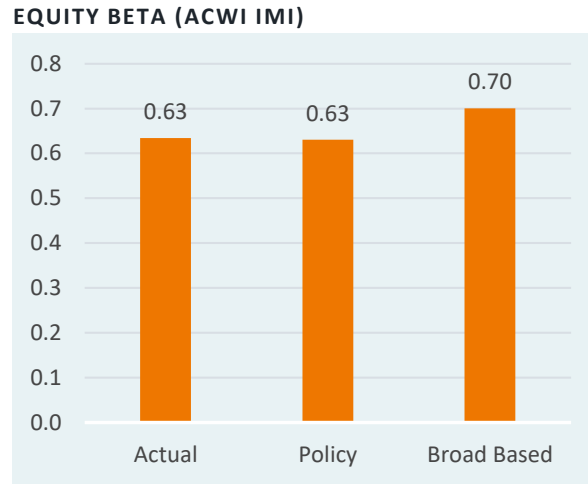
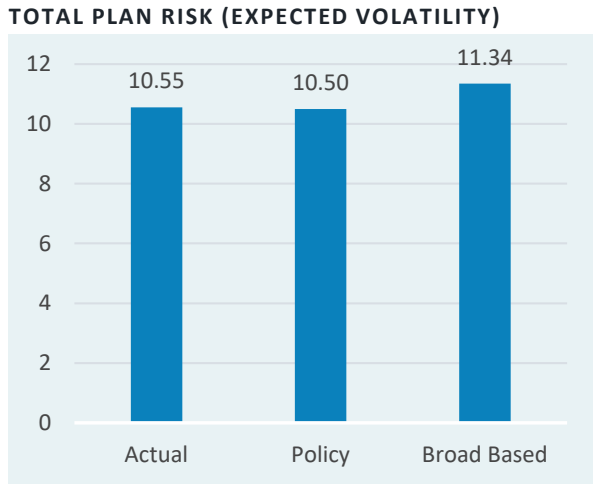
Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	2023	Since Inception	Inception Date
<b>Risk Mitigation</b>	<b>2,107,450,667</b>	<b>20.0</b>	<b>1.0</b>	<b>1.4</b>	<b>4.7</b>	<b>4.7</b>	<b>5.0</b>	<b>1.6</b>	<b>04/01/22</b>
<i>Risk Mitigation Benchmark</i>			1.0	1.3	4.7	4.7	4.9	1.5	
SSgA US Treasury Index	312,777,339	3.0	-	-	-	-	-	2.5	05/01/24
<i>Blmbg. U.S. Treasury Index</i>			-	-	-	-	-	2.5	
<i>eV US Government Fixed Inc Rank</i>			-	-	-	-	-	59	
SSgA Core Fixed Income Index	340,632,002	3.2	0.1	-0.6	2.7	2.7	5.6	-1.6	03/17/22
<i>Blmbg. U.S. Aggregate Index</i>			0.1	-0.7	2.6	2.6	5.5	-1.6	
<i>eV US Core Fixed Inc Rank</i>			67	81	81	81	64		
SSgA Short-Term Gov't/Credit Index	1,048,922,103	10.0	1.0	1.4	4.9	4.9	4.6	1.9	03/17/22
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			1.0	1.4	4.9	4.9	4.6	1.8	
<i>eV US Short Duration Fixed Inc Rank</i>			56	73	73	73	82		
SSgA US TIPS Index	315,325,968	3.0	1.4	2.3	5.4	5.4	4.6	1.2	03/17/22
<i>Blmbg. U.S. TIPS 0-5 Year</i>			1.4	2.3	5.4	5.4	4.6	1.3	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			8	9	8	8	22		
Cash	89,793,255	0.9	1.3	2.5	5.2	5.2	5.0	3.7	03/22/22
<i>90 Day U.S. Treasury Bill</i>			1.3	2.6	5.4	5.4	5.0	4.0	
<b>IPOPIF Pool Fixed Income Transition</b>	<b>99,906</b>	<b>0.0</b>							
Member Accounts	-	0.0							

The composition of blended benchmarks are located on the Data Sources and Methodology page. Principal USPA does not show a Since 4/1/2022 return because the fund was inception on 4/6/2022.

Illinois Police Officers' Pension Investment Fund  
 Period Ending: June 30, 2024

Portfolio Characteristics



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

IPOPIF Investment Portfolio  
Investment Fund Fee Analysis

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Name	Asset Class	Vehicle Type	Market Value	% of Portfolio	Estimated Fee Value	Expense Fee (%)
RhumbLine Russell 1000 Index	Domestic Equity	Separate Account	\$2,496,600,162	23.6874	\$124,830	0.005
RhumbLine Russell 2000 Index	Domestic Equity	Separate Account	\$522,664,461	4.9590	\$26,133	0.005
SSgA Non-US Developed Index	Non-U.S. Equity	Commingled Fund	\$2,002,332,057	18.9979	\$160,187	0.008
Acadian ACWI ex US Small-Cap Fund	Non-U.S. Equity	Commingled Fund	\$267,368,105	2.5368	\$1,620,525	0.606
WCM International Small Cap Growth Fund	Non-U.S. Equity	Commingled Fund	\$123,182,340	1.1687	\$862,276	0.700
LSV International Small Cap Value Equity Fund	Non-U.S. Equity	Commingled Fund	\$126,733,121	1.2024	\$1,088,865	0.859
SSgA Emerging Markets Equity Index	Emerging Markets Equity	Commingled Fund	\$340,140,081	3.2272	\$112,246	0.033
SSgA Emerging Markets ex China Equity	Emerging Markets Equity	Commingled Fund	\$310,595,881	2.9469	\$102,497	0.033
SSgA High Yield Corporate Credit	Fixed Income	Commingled Fund	\$727,292,077	6.9005	\$240,006	0.033
SSgA EMD Hard Index Fund	Fixed Income	Commingled Fund	\$625,225,679	5.9321	\$206,324	0.033
Ares Institutional Loan Fund	Fixed Income	Commingled Fund	\$102,476,499	0.9723	\$256,191	0.250
Aristotle Institutional Loan Fund	Fixed Income	Commingled Fund	\$204,310,952	1.9385	\$785,088	0.384
SSgA REITs Index	Real Estate	Commingled Fund	\$425,437,445	4.0365	\$34,035	0.008
Principal USPA	Real Estate	Commingled Fund	\$157,860,163	1.4978	\$1,262,881	0.800
SSgA US Treasury Index	Fixed Income	Commingled Fund	\$312,777,339	2.9676	\$25,022	0.008
SSgA Core Fixed Income Index	Fixed Income	Commingled Fund	\$340,632,002	3.2319	\$27,251	0.008
SSgA Short-Term Gov't/Credit Index	Fixed Income	Commingled Fund	\$1,048,922,103	9.9520	\$83,914	0.008
SSgA US TIPS Index	Fixed Income	Separate Account	\$315,325,968	2.9918	\$25,226	0.008
Cash	Cash and Equivalents	Commingled Fund	\$89,793,255	0.8519		
<b>IPOPIF Investment Portfolio</b>			<b>\$10,539,769,594</b>	<b>100.0000</b>	<b>\$7,043,498</b>	<b>0.067</b>

Total Fund  
Cash Flow by Manager - Last Three Months

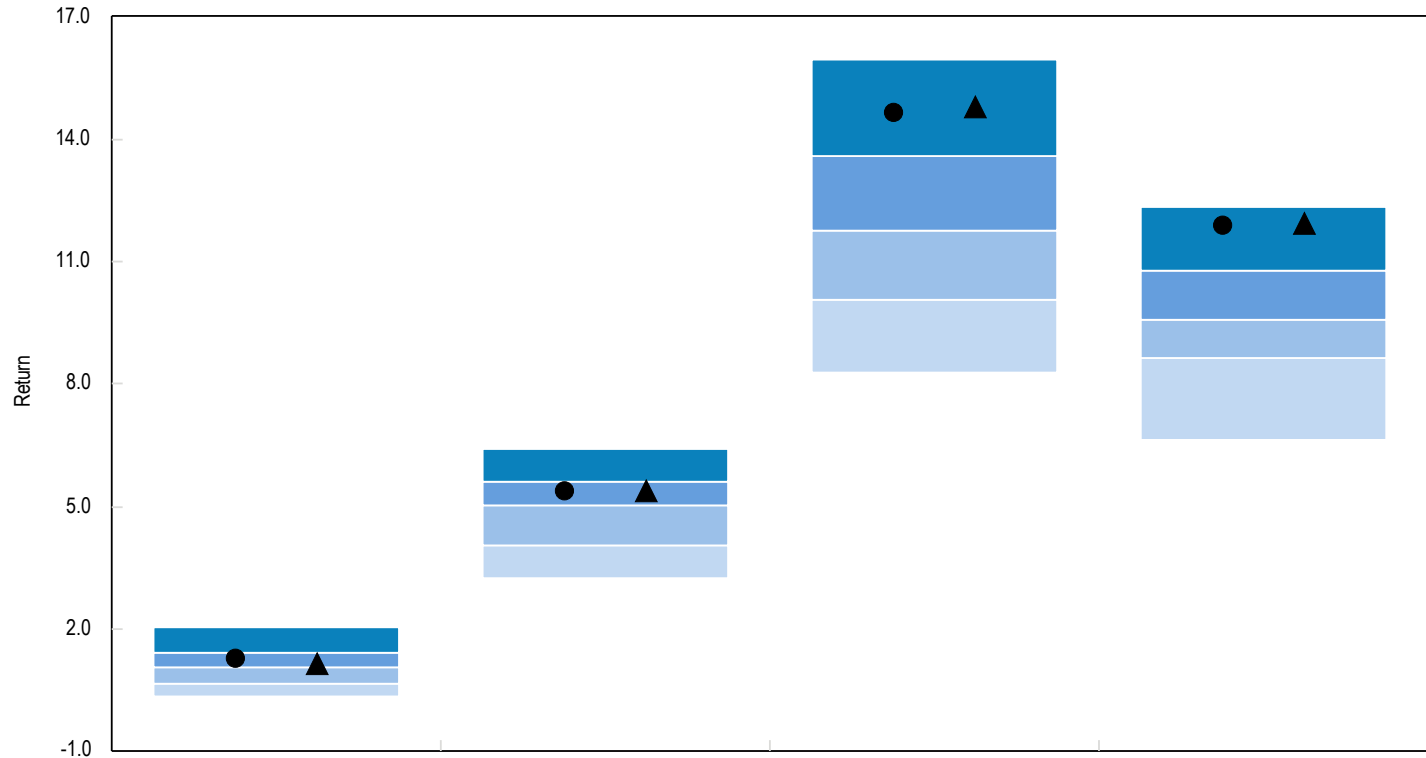
Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Name	Beginning Market Value	Contributions	Distributions	Net Cash Flows	Income	Fees	Net Investment Change	Ending Market Value
RhumbLine Russell 1000 Index	\$2,410,590,354	\$19,776	-	\$19,776	\$8,854,783	-\$19,776	\$77,155,025	\$2,496,600,162
RhumbLine Russell 2000 Index	\$540,081,960	\$4,423	-	\$4,423	\$2,022,714	-\$4,423	-\$19,440,213	\$522,664,461
SSgA Non-US Developed Index	\$1,964,187,801	\$48,040,187	-	\$48,040,187	\$14,455,525	-\$40,187	-\$24,311,269	\$2,002,332,057
SSgA Non-US Developed SC Index	\$77,605,127	\$6,285	-\$76,534,545	-\$76,528,260	\$16,827	-\$6,285	-\$1,087,409	-
Acadian ACWI ex US Small-Cap Fund	\$259,485,712	\$166,809	-	\$166,809	\$2,040,502	-\$166,809	\$5,841,891	\$267,368,105
WCM International Small Cap Growth Fund	\$125,225,054	-	-	-	\$1,042,680	-\$219,144	-\$2,866,250	\$123,182,340
LSV International Small Cap Value Equity Fund	\$62,152,835	\$65,047,685	-	\$65,047,685	\$1,988,351	-\$47,685	-\$2,408,065	\$126,733,121
SSgA Emerging Markets Equity Index	\$618,266,805	\$58,555	-\$300,000,000	-\$299,941,445	\$3,537,065	-\$58,555	\$18,336,211	\$340,140,081
SSgA Emerging Markets ex China Equity	-	\$300,000,000	-	\$300,000,000	\$691,444	-	\$9,904,437	\$310,595,881
SSgA High Yield Corporate Credit	\$719,153,846	\$80,436	-	\$80,436	\$12,173,332	-\$80,436	-\$4,035,101	\$727,292,077
SSgA EMD Hard Index Fund	\$623,554,674	\$54,684	-	\$54,684	\$9,224,152	-\$54,684	-\$7,553,147	\$625,225,679
Ares Institutional Loan Fund	\$50,475,620	\$50,000,000	-	\$50,000,000	\$173,270	-\$42,563	\$1,870,172	\$102,476,499
Aristotle Institutional Loan Fund	\$101,053,658	\$100,000,000	-	\$100,000,000	\$3,413,141	-\$155,848	-	\$204,310,952
SSgA REITs Index	\$426,151,714	\$9,140	-	\$9,140	\$4,244,177	-\$9,140	-\$4,958,447	\$425,437,445
Principal USPA	\$159,286,196	-	-	-	\$1,807,211	-	-\$3,233,244	\$157,860,163
SSgA US Treasury Index	-	\$310,000,000	-	\$310,000,000	\$843,588	-	\$1,933,751	\$312,777,339
SSgA Core Fixed Income Index	\$340,169,304	\$8,006	-	\$8,006	\$3,158,797	-\$8,006	-\$2,696,099	\$340,632,002
SSgA Short-Term Gov't/Credit Index	\$1,329,612,202	\$29,014	-\$292,000,000	-\$291,970,986	\$9,636,570	-\$29,014	\$1,673,332	\$1,048,922,103
SSgA US TIPS Index	\$282,281,833	\$29,006,008	-	\$29,006,008	\$551,629	-\$6,008	\$3,492,505	\$315,325,968
Cash	\$306,912,593	\$234,790,356	-\$453,914,473	-\$219,124,117	\$2,004,344	-	\$436	\$89,793,255
IPOPIF Pool Fixed Income Transition	\$101,434	-	-	-	\$61,970	-	-\$63,499	\$99,906
Member Accounts	-	-	-	-	\$1,842	-	-\$1,842	-
<b>Total Fund with Member Funds and Transition Accounts</b>	<b>\$10,396,348,721</b>	<b>\$1,137,321,364</b>	<b>-\$1,122,449,018</b>	<b>\$14,872,346</b>	<b>\$81,943,915</b>	<b>-\$948,563</b>	<b>\$47,553,175</b>	<b>\$10,539,769,594</b>

IPOPIF Investment Portfolio  
Peer Universe Comparison: Cumulative Performance (Net of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

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



	Quarter	2 Quarters	3 Quarters	1 Year
● IPOPIF Investment Portfolio	1.3 (35)	5.4 (33)	14.7 (13)	11.9 (10)
▲ Policy Index	1.2 (46)	5.4 (34)	14.8 (13)	12.0 (10)
5th Percentile	2.0	6.4	16.0	12.4
1st Quartile	1.4	5.6	13.6	10.8
Median	1.0	5.0	11.8	9.6
3rd Quartile	0.7	4.1	10.1	8.6
95th Percentile	0.3	3.3	8.3	6.6
Population	96	96	96	96

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

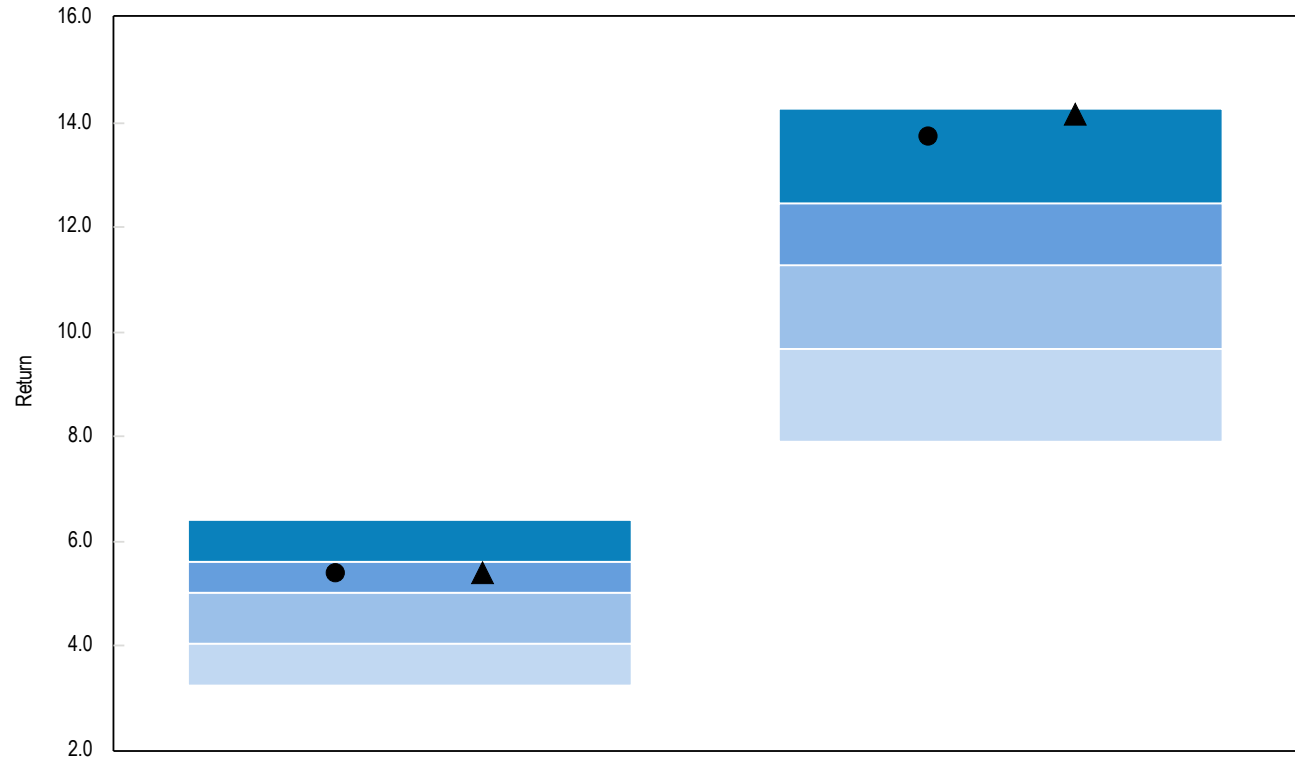
IPOPIF Investment Portfolio

Illinois Police Officers' Pension Investment Fund

Peer Universe Comparison: Consecutive Periods (Net of Fees)

Period Ending: June 30, 2024

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



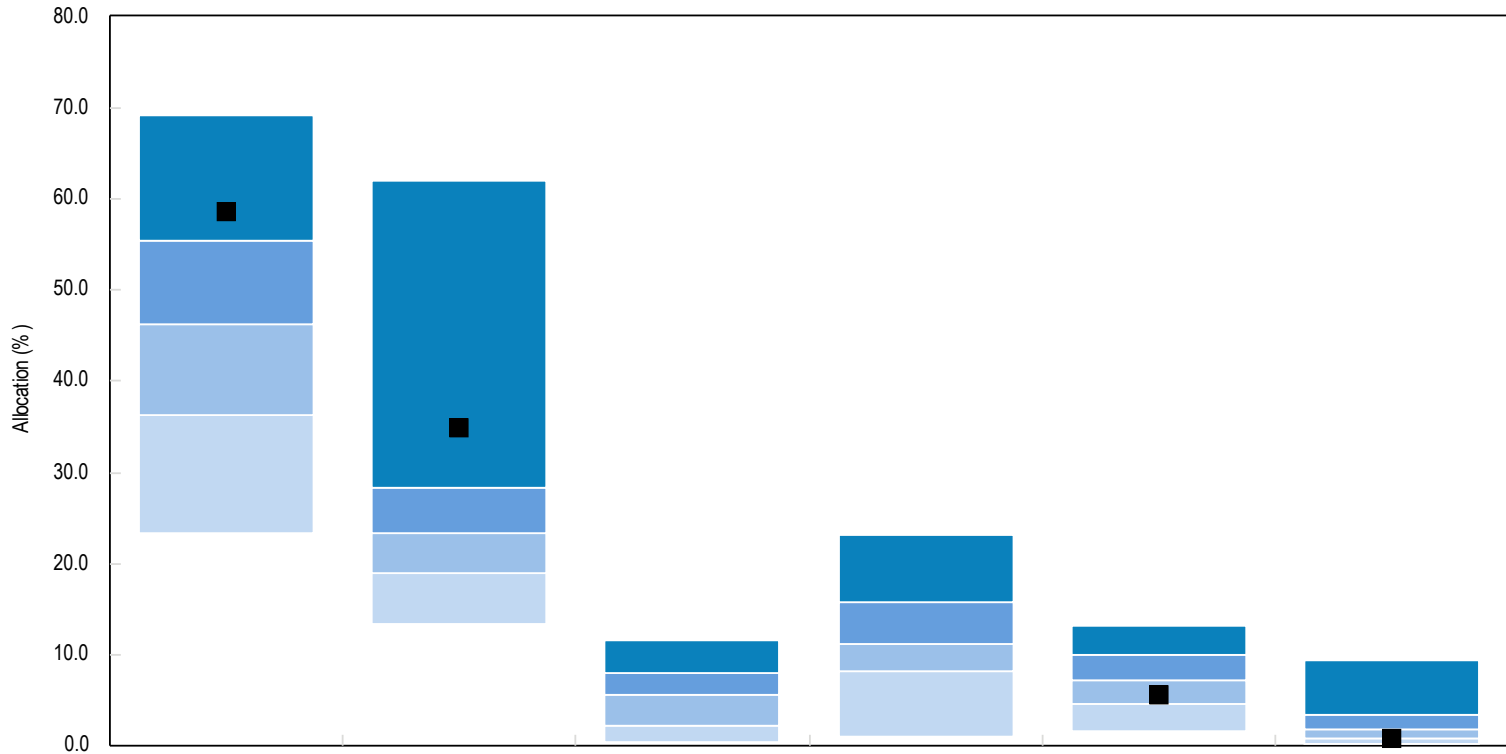
	YTD	2023
● IPOPIF Investment Portfolio	5.4 (33)	13.7 (11)
▲ Policy Index	5.4 (34)	14.2 (7)
5th Percentile	6.4	14.3
1st Quartile	5.6	12.5
Median	5.0	11.3
3rd Quartile	4.1	9.7
95th Percentile	3.3	7.9
Population	96	174



IPOPIF Investment Portfolio  
Peer Universe Comparison: Asset Allocation

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Total Plan Allocation vs. All Public Plans > \$1B-Total Fund  
As of June 30, 2024



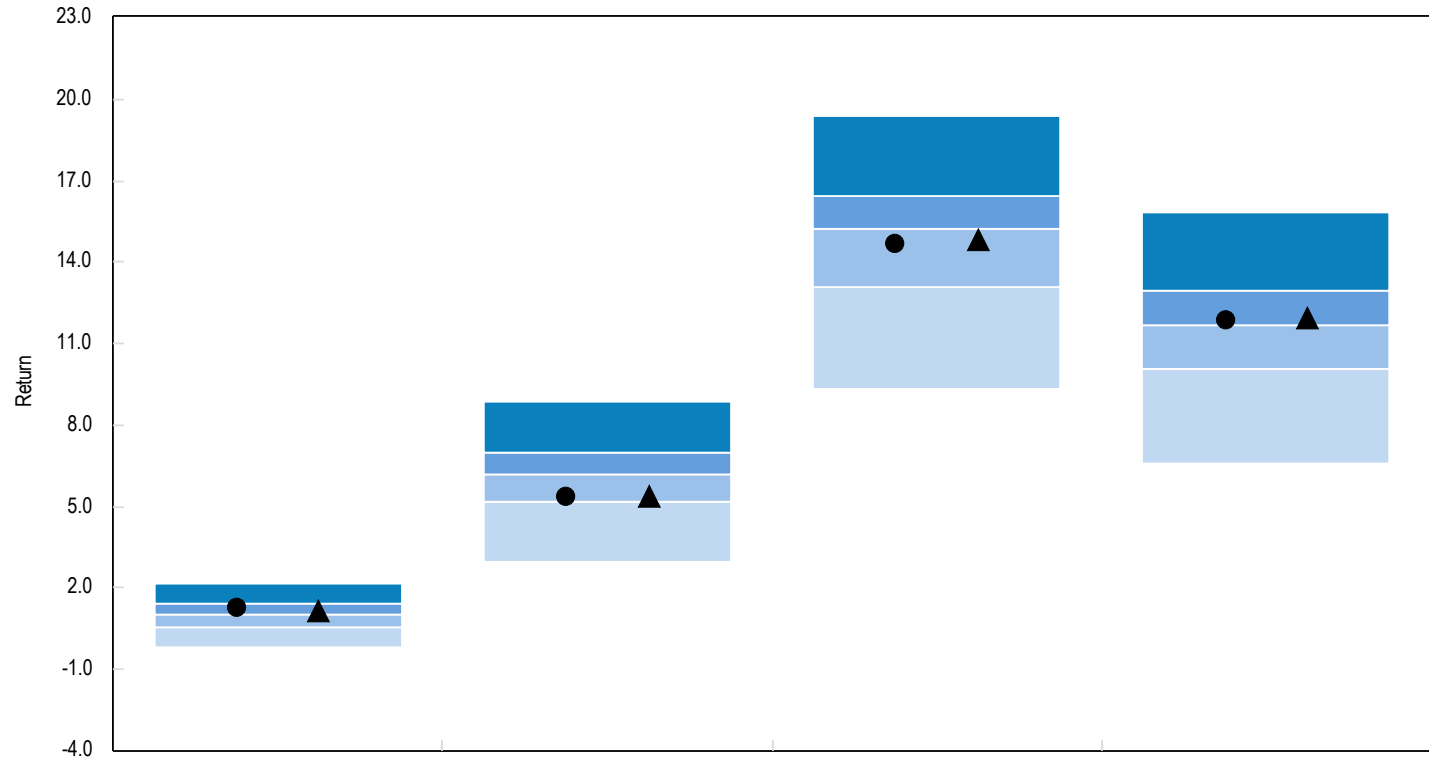
	Total Equity 58.7 (17)	Total Fixed Income 34.9 (11)	Hedge Funds -	Private Equity -	Total Real Estate 5.5 (70)	Cash & Equivalents 0.9 (72)
■ IPOPIF Investment Portfolio						
5th Percentile	69.3	62.1	11.5	23.1	13.2	9.4
1st Quartile	55.4	28.4	8.1	15.9	9.9	3.4
Median	46.3	23.3	5.5	11.3	7.3	1.7
3rd Quartile	36.4	18.9	2.2	8.2	4.6	0.8
95th Percentile	23.4	13.3	0.4	1.0	1.5	0.1
Population	144	152	42	83	120	125

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

IPOPIF Investment Portfolio  
Peer Universe Comparison: Cumulative Performance (Net of Fees)

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

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



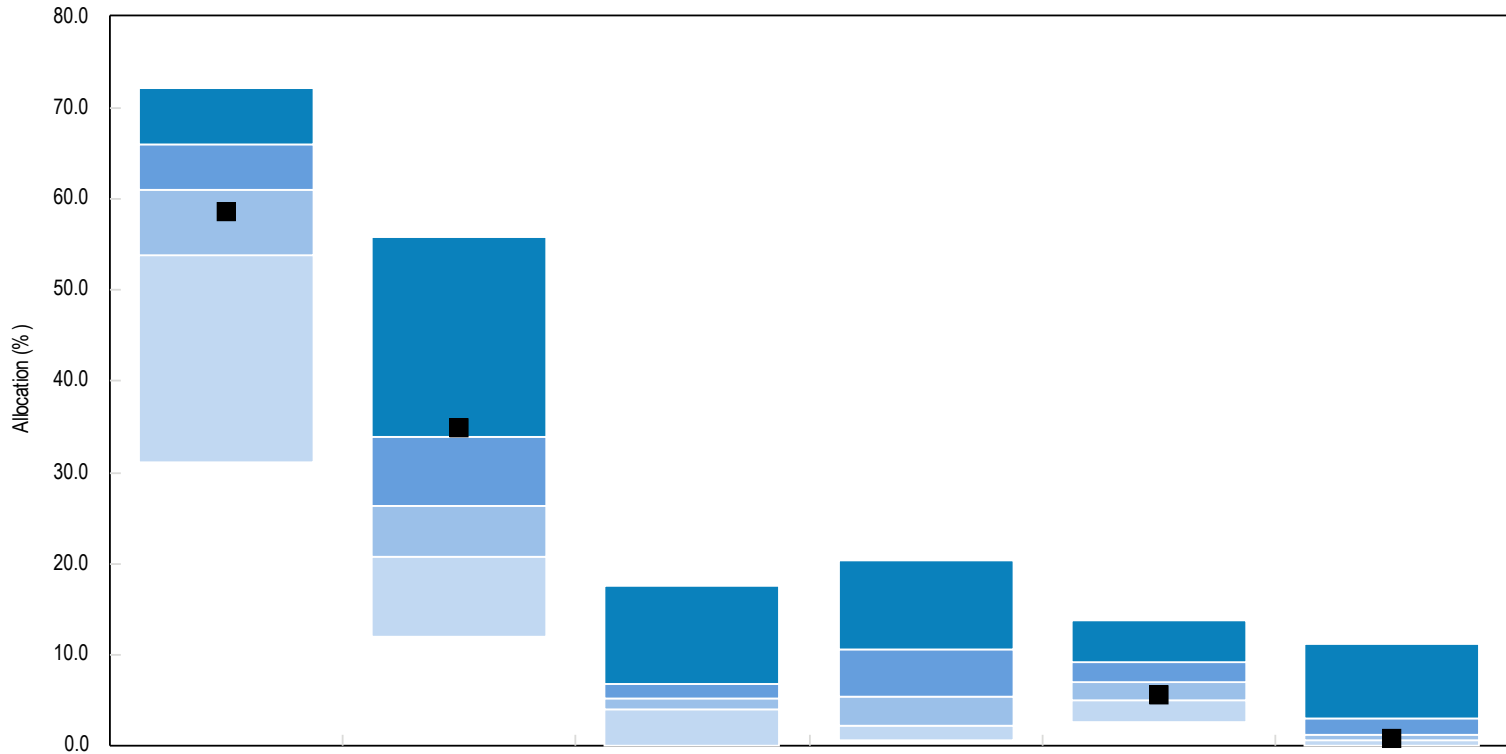
	Quarter	2 Quarters	3 Quarters	1 Year
● IPOPIF Investment Portfolio	1.3 (39)	5.4 (70)	14.7 (58)	11.9 (43)
▲ Policy Index	1.2 (43)	5.4 (70)	14.8 (56)	12.0 (43)
5th Percentile	2.2	8.9	19.4	15.8
1st Quartile	1.5	7.0	16.5	12.9
Median	1.0	6.2	15.2	11.6
3rd Quartile	0.5	5.2	13.1	10.0
95th Percentile	-0.2	3.0	9.3	6.6
Population	558	556	553	552

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

IPOPIF Investment Portfolio  
Peer Universe Comparison: Asset Allocation

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

Total Plan Allocation vs. All Public Plans < \$1B-Total Fund  
As of June 30, 2024



	Total Equity	Total Fixed Income	Hedge Funds	Private Equity	Total Real Estate	Cash & Equivalents
■ IPOPIF Investment Portfolio	58.7 (62)	34.9 (22)	-	-	5.5 (67)	0.9 (68)
5th Percentile	72.2	55.9	17.6	20.3	13.7	11.1
1st Quartile	66.0	33.9	6.9	10.6	9.3	2.9
Median	61.1	26.3	5.1	5.3	7.0	1.3
3rd Quartile	53.8	20.7	3.9	2.2	4.9	0.7
95th Percentile	31.2	11.9	0.0	0.7	2.7	0.1
Population	579	600	72	171	391	539

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

## Total Fund Data Sources and Methodology Page

## Illinois Police Officers' Pension Investment Fund Period Ending: June 30, 2024

### Performance Return Calculations

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

### Data Source

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

### Manager Line Up

<u>Manager</u>	<u>Inception Date</u>	<u>Data Source</u>	<u>Manager</u>	<u>Inception Date</u>	<u>Data Source</u>
RhumbLine Russell 1000 Index Fund	3/15/2022	State Street	SSgA EMD Hard Index Fund	3/14/2022	State Street
RhumbLine Russell 2000 Index Fund	3/15/2022	State Street	Ares Institutional Loan Fund	3/1/2024	Ares
SSgA Non-US Developed Index Fund	3/10/2022	State Street	Aristotle Institutional Loan Fund	3/1/2024	Aristotle
SSgA Non-US Developed SC Index Fund	3/10/2022	State Street	Principal USPA	4/6/2022	State Street
Acadian ACWI ex US Small-Cap Fund	1/30/2024	State Street	SSgA REITs Index Fund	3/10/2022	State Street
WCM International Small Cap Growth Fund	3/1/2024	WCM	SSgA US Treasury Index Fund	5/1/2024	State Street
LSV International Small Cap Value Equity Fund	3/1/2024	LSV	SSgA Core Fixed Income Index Fund	3/17/2022	State Street
SSgA Emerging Markets Equity Index Fund	3/1/2022	State Street	SSgA Short-Term Gov't/Credit Index Fund	3/17/2022	State Street
SSGA Emerging Markets ex China Equity Index Fund	5/1/2024	State Street	SSgA US TIPS Index Fund	3/17/2022	State Street
SSgA High Yield Corporate Credit	3/18/2022	State Street	Cash	3/22/2022	State Street

### Custom Benchmark Composition

<u>Benchmark</u>	<u>Time period</u>	<u>Composition</u>
Policy Index -Broad Benchmark	4/1/2022 - Present	70% MSCI ACWI IMI (Net) and 30% Bloomberg Global Multiverse.
Spliced SSgA EMD Hard Benchmark	7/1/2023 - Present	100% JPM EMBI Global Diversified Index
Spliced SSgA EMD Hard Benchmark	3/14/2022 - 6/30/2022	100% JPM EMBI Global Core Index
Spliced SSgA U.S. High Yield Index	12/1/2022 - Present	100% ICE BofA US High yield Master II Constrained
Spliced SSgA U.S. High Yield Index	4/1/2022 - 11/30/2022	100% Bloomberg U.S. High Yield Very Liquid Index

# Total Fund

## Data Sources and Methodology Page

# Illinois Police Officers' Pension Investment Fund

## Period Ending: June 30, 2024

### Policy Index Composition

As of 6/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%			
MSCI World ex U.S.	19%	32.8%			
MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	4%	6.9%			
MSCI Emerging Markets ex China	2%	3.4%			
Bloomberg US Corporate High Yield Index	7%		43.8%		
JPM EMBI Global Diversified Index	6%		37.5%		
Credit Suisse Leveraged Loan Index	3%		18.8%		
NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%
Bloomberg US Treasury Index	2%				10.0%
Bloomberg 1-3 Year Gov/Credit Index	11%				55.0%
Bloomberg US TIPS 0-5 Year	3%				15.0%
90 Day US Treasury Bill Index	1%				5.0%

As of 4/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%			
MSCI World ex U.S.	19%	32.8%			
MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	6%	10.3%			
Bloomberg US Corporate High Yield Index	7%		43.8%		
JPM EMBI Global Diversified Index	6%		37.5%		
Credit Suisse Leveraged Loan Index	3%		18.8%		
NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%
Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%
Bloomberg US TIPS 0-5 Year	3%				15.0%
90 Day US Treasury Bill Index	1%				5.0%

As of 5/1/2023	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%			
MSCI World ex U.S.	18%	31.0%			
MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	7%	12.1%			
Bloomberg US Corporate High Yield Index	10%		62.5%		
JPM EMBI Global Diversified Index	6%		37.5%		
NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%
Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%
Bloomberg US TIPS 0-5 Year	3%				15.0%
90 Day US Treasury Bill Index	1%				5.0%

As of 5/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%			
MSCI World ex U.S.	19%	32.8%			
MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	5%	8.6%			
MSCI Emerging Markets ex China	1%	1.7%			
Bloomberg US Corporate High Yield Index	7%		43.8%		
JPM EMBI Global Diversified Index	6%		37.5%		
Credit Suisse Leveraged Loan Index	3%		18.8%		
NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%
Bloomberg US Treasury Index	1%				5.0%
Bloomberg 1-3 Year Gov/Credit Index	12%				60.0%
Bloomberg US TIPS 0-5 Year	3%				15.0%
90 Day US Treasury Bill Index	1%				5.0%

As of 3/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%			
MSCI World ex U.S.	18%	31.0%			
MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	7%	12.1%			
Bloomberg US Corporate High Yield Index	8.5%		53.1%		
JPM EMBI Global Diversified Index	6%		37.5%		
Credit Suisse Leveraged Loan Index	1.5%		9.4%		
NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%
Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%
Bloomberg US TIPS 0-5 Year	3%				15.0%
90 Day US Treasury Bill Index	1%				5.0%

As of 1/1/2023	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	18%	36.0%			
Russell 2000	5%	10.0%			
MSCI World ex U.S.	15%	30.0%			
MSCI World ex U.S. Small Cap	5%	10.0%			
MSCI Emerging Markets	7%	14.0%			
Bloomberg US Corporate High Yield Index	10%		62.5%		
JPM EMBI Global Diversified Index	6%		37.5%		
NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	7%				25.0%
Bloomberg 1-3 Year Gov/Credit Index	15%				53.6%
Bloomberg US TIPS 0-5 Year	3%				10.7%
90 Day US Treasury Bill Index	3%				10.7%

Total Fund  
Data Sources and Methodology Page

Illinois Police Officers' Pension Investment Fund  
Period Ending: June 30, 2024

**Policy Index Composition**

As of 3/31/2022	<u>Policy Index</u>	<u>Growth</u>	<u>Income</u>	<u>Real Assets</u>	<u>Risk Mitigation</u>
Russell 3000	23%	46.0%			
MSCI ACWI ex USA IMI	20%	40.0%			
MSCI Emerging Markets IMI	7%	14.0%			
Bloomberg US Corporate High Yield Index	10%		62.5%		
50% JPM EMBI GD/50% JPM GBI EM GD	6%		37.5%		
NCREIF Property Index	2%			66.7%	
Dow Jones US Select REIT Index	4%			33.3%	
Bloomberg US Aggregate Index	7%				25.0%
Bloomberg 1-3 Year Gov/Credit Index	15%				53.6%
Bloomberg US TIPS 0-5 Year	3%				10.7%
90 Day US Treasury Bill Index	3%				10.7%

## Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Disclaimer

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# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: EMPLOYEE HANDBOOK - REVISION  
DATE: SEPTEMBER 13, 2024

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### RECOMMENDATION:

Approve the Employee Handbook, revised as of July 1, 2024:

- 
- Revisions incorporating changes to State law, including the Illinois Paid Leave for All Workers Act, Personnel Records Review Act, Victim's Economic Security and Safety Act, and the Family Bereavement Act.
  - Revisions to PTO to 20 days for year 1 through year 4
  - Revisions to PTO to 25 days for year 5 and beyond
  - Revisions to PTO accrual to two years' time.
  - Revisions to PTO to maximum accrual and forfeiture of unused PTO over maximum.
  - Apply revisions to all current employees.
- 

### **Background:**

The Governance Committee reviewed the Employee Handbook revisions at their May 17, 2024, meeting and voted 3-0 (with one trustee absent) in favor of recommending that the Board of Trustees approve the Employee Handbook with the revisions, as presented.

The IPOPIF Employee Handbook, adopted by the Board of Trustees on July 8, 2022, is provided to all employees and contains extensive information about the rules, policies and expectations of employment with the Fund.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### Revisions to the Employee Handbook:

The revision to the PTO provisions of this Employee Handbook is primarily the result of recent Illinois Paid Leave for Workers Act which took effect on January 1, 2024. In general, the existing IPOP PTO Policy is more robust than the policy in the law which means that the Employee Handbook complies with the Act in terms of the amount of paid leave, the accrual of paid leave, the rollover of paid leave and the pay out of paid leave but there were some amendments needed to address providing paid leave to part-time employees, defining the time period for employees to request time off for foreseeable and unforeseeable leave and the tracking and reporting of paid leave.

The Act applies to all employees (full-time and part-time) working for an employer in Illinois and thus, applies to the IPOP. The Act requirements pertaining to part-time employees is included in the Employee Handbook even though the Fund does not currently have any part-time employees.

Revisions made in the Employee Handbook which were reviewed by Fiduciary Legal Counsel and Human Resources consultant can be found in the following sections:

- **Section 3.14. Access to Personnel Files.** Details the procedures an employee will use and the timelines that the employer will follow to enable an employee to be able to access and review their personnel files.
- **Section 6.2 Paid Time Off.** Provides that part-time employees are eligible to accrue PTO on a pro rata basis of the PTO for regular full-time employees. Defines the time period for employees to request time off for foreseeable and unforeseeable leave. Provides for the tracking and reporting of paid leave.
- **Section 6.5 Victim's Economic Security and Safety Act (VESSA).** Further defines and outlines the leave that may be taken by an employee who experiences a crime of violence or whose family or household member experiences or is killed in a crime of violence. Further defines the certification requirements necessary for an employee to be eligible for the VESSA leave.
- **Section 6.7 Family Bereavement Leave.** Redefines this section from the previous Child Bereavement Leave to the Family Bereavement Leave and incorporates changes to definitions of those eligible for this leave, the documentation required to qualify for the leave and the leave provisions.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## Revisions to Paid Time Off Policy:

### (1) Section 6.2 Paid Time Off

The IPOPIF has recruited and hired eight employees subsequent to the adoption of the employee handbook in 2022. Six of these employees are currently working at IPOPIF. The IPOPIF is currently in the recruitment process for one or more employees to join the team. The employees hired and the employees being recruited are all seasoned employees with significant experience at their previous places of work. The IPOPIF has not hired, nor recruited individuals with limited work experience and it would not be anticipated that we would be doing so at any time in the future. Based upon this history as well as discussions with applicants during the recruitment process, it is believed that a review of the Personal Time Off earned by employees is needed at this time.

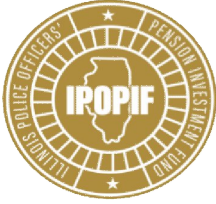
The reasoning behind the review is that these experienced applicants have earned a certain level of personal time off which in most cases would be reduced upon joining the IPOPIF. Currently, employees earn 15 days of PTO during the first year of employment. This increases to 20 days of PTO upon reaching year two and continues at this rate to four. The recommendation is to designate the earnings of 20 days of PTO during the first four years of employment with IPOPIF.

Essentially, the recommendation is to revise the PTO from three tiers into two tiers:

SERVICE TIME	CURRENT PTO	REVISED PTO
Year 1	15	20
Years 2 -4	20	20
Years 5 and beyond	25	25

### (2) Section 6.2 Accrual of PTO time

Accrual of PTO is recommended to be changed from the current policy of one year of the PTO to two years of PTO time. This change will enable the Fund to complete the work underway, especially the time sensitive items, and permit the team members to have a longer planning time for the use of PTO time.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Also, the Board of Trustees asked that the handbook section on maximum accrual be clarified to ensure that the two-year accrual of PTO was the maximum that an employee could accrue and that the pay-off of accrued PTO time would not exceed the two-year maximum. The language has been revised to read:

*Employees should try to use PTO in the year it is earned. Exempt and full-time employees may accrue up to a maximum of two years of earned PTO at any one time. The maximum of earned PTO that part-time employees may accrue will be pro-rated based on hours actually worked. Any unused PTO over the maximum allowed for accrual will be forfeited.*

Additionally, the IPOPIF will make and preserve a record documenting hours worked, PTO time accrued, taken and remaining balances for each employee for a period of no less than 3 years.

It is recommended that these PTO changes (20 days and two-year accrual) be applied to our employees retroactively.

The accumulated PTO time is an expense liability to the Fund and this change will increase this expense in accordance with both of these changes, as follows:

Accrual Days:	1 Year Accrual (Max)	2 Year Accrual (Max)
20 Days	\$188,797.64	\$305,479.95

Note: These PTO accrual numbers are based on the Fiscal Year 2025 budgeted salaries and all IPOPIF team members assuming the revised PTO days earned and two-year accrual is adopted by the Board of Trustees.



**Illinois Police Officers'  
Pension Investment Fund**

**IPOPIF  
EMPLOYEE HANDBOOK**

Effective: July 1, 2024 ~~July 19, 2024~~ ~~June 14, 2024~~ Eff. July 8, 2022

DRAFT - BOT Review - Sept 13, 2024

Welcome to the Illinois Police Officers' Pension Investment Fund ("IPOPIF" or "Fund"). We are delighted that you have chosen to join our Fund and hope that you will enjoy a long and successful career with us. As you become familiar with our culture and mission, we hope you will take advantage of opportunities to enhance your career and further IPOPIF's goals.

This Employee Handbook has been developed to provide you with a general overview of some of the rules, policies and expectations governing your employment. You are required to read and familiarize yourself with the contents of this Handbook and follow the policies contained herein. If you have questions, feel free to contact the Executive Director. You may also contact our present outsourced Human Resources Consultant, and later, our in-house Human Resources ("Human Resources").

Except as provided by law, IPOPIF reserves the right to amend, supplement, interpret, or rescind any of the policies, rules, or benefits contained in this Handbook at any time at its sole discretion with or without notice. You are required to sign the attached acknowledgment form to certify that you have read, understood, and agree to the contents of this Handbook.

We look forward to working with you and hope that you find employment to be both enjoyable and rewarding.

*Cordially,*

The IPOPIF Board of Trustees

July 1, 2024 ~~June 14, 2024~~ ~~July 8, 2022~~

DRAFT - BOI Review - SEP 13 2024

**IPOPIF EMPLOYEE HANDBOOK**

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**IPOPIF EMPLOYEE HANDBOOK**

**SECTION 1  
EMPLOYMENT AT WILL**

Employment with Illinois Police Officers' Pension Investment Fund (IPOPIF) is on an at-will basis.

This means that either the employee or IPOPIF may terminate the employment relationship at any time, for any reason, with or without cause and without prior notice.

Nothing in this Employee Handbook creates or is intended to create an employment agreement, express or implied. Nothing contained in this, or any other document provided to the employee is intended to be, nor should it be, construed as a contract that employment or any benefit will be continued for any period of time. In addition, no representative from IPOPIF is authorized to modify this policy for any employee or to enter into any agreement, oral or written, that changes the at-will relationship. No statement of IPOPIF employees constitute a binding obligation unless it is in writing, labeled as an agreement, signed by the Executive Director, and approved by the Board of Trustees.

Any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience or to facilitate comparisons and are not intended to and do not create an employment contract for any specific period of time.

Nothing in this statement is intended to interfere with, restrain, or prevent concerted activity as protected by the Illinois Public Labor Relations Act ("IPLRA"). Such activity includes employee communications regarding wages, hours, or other terms or conditions of employment. IPOPIF employees have the right to engage in or refrain from such activities.

**SECTION 2  
EMPLOYMENT PRACTICES AND REPORTING PROCEDURES**

**2.1 Commitment to Diversity**

IPOPIF is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the Fund and are valued for their skills, experience, and unique perspectives. This commitment is embodied in IPOPIF policy and is an important principle of sound Fund management.



## IPOPIF EMPLOYEE HANDBOOK

### 2.2 Equal Employment Opportunity

IPOPIF provides equal employment opportunities to all employees and applicants for employment without regard to actual or perceived race, color, creed, ancestry, national origin, citizenship, sex or gender (including pregnancy, childbirth, and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, religion, age, disability, genetic information, service in the military, or any other characteristic protected by applicable federal, state, or local laws and ordinances. Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

### 2.3 Discrimination and Harassment Free Workplace

IPOPIF is committed to maintaining a work environment that is free from all forms of discrimination on the basis of any legally protected status, including harassment. IPOPIF will not tolerate interference with the ability of employees to perform their expected job duties. Accordingly, IPOPIF does not permit any form of unlawful harassment, discrimination or intimidation against its employees or vendors based on any protected status. Protected status includes perceived or actual race, color, age, religion, marital status, sex, ancestry, national origin, citizenship, veteran's status, pregnancy, disability, sexual orientation, protected activity, conviction record, or any other characteristic protected by federal, state, or local law. This policy also prohibits harassment against an employee because of that employee's association with an individual (e.g., relatives, friends, or associates) who belongs to a protected category.

IPOPIF strongly believes in maintaining a work environment that is free from all forms of sexual abuse, sexual misconduct, emotional misconduct, physical misconduct, bullying and hazing.

Any violation of this policy by an IPOPIF employee may subject the employee to disciplinary action, up to and including discharge. Appropriate action also will be taken against any subcontractor, vendor or other third party found in violation of this policy.

### 2.4 Americans with Disabilities Act (ADA) and Reasonable Accommodations

IPOPIF is committed to the fair and equal employment of individuals with disabilities. It is IPOPIF's policy to provide reasonable accommodation to qualified individuals with disabilities unless the accommodation would impose an undue hardship on the Fund. IPOPIF prohibits any harassment of, or discriminatory treatment of, employees based on a disability or because an employee has requested a reasonable accommodation.

## IPOPIF EMPLOYEE HANDBOOK

Reasonable accommodations will be provided to qualified individuals with disabilities to enable them to perform the essential functions of their jobs and to enjoy the equal benefits and privileges of employment. An employee with a disability may request an accommodation from Human Resources and engage in an informal process to clarify what the employee needs and to identify possible accommodations. If requested, the employee is responsible for providing medical documentation regarding the disability and possible accommodations. All information obtained concerning the medical condition or history of an applicant or employee will be treated as Confidential Information, maintained in separate medical files, and disclosed only as permitted by law.

It is the policy of IPOPIF to prohibit harassment, discrimination or retaliation based on disability or because an employee has requested a reasonable accommodation. Employees should use the procedures described in the Reporting Procedure to report any harassment, discrimination, or retaliation they have experienced or witnessed.

### 2.5 Discriminatory Harassment

Harassment consists of unwelcome conduct, whether verbal, physical or visual, that is based upon a person's protected status. Harassment has the purpose or effect of substantially interfering with the individual's work performance or creating an intimidating, hostile or offensive working environment. Harassment can cause an individual to feel threatened, humiliated, or patronized. It can lead to a belief that the acceptance of harassment is necessary to keep a job or to progress and is, therefore, contrary to the philosophy of equal opportunities at work.

IPOPIF will not tolerate and prohibits intentional and unintentional harassment of or against job applicants, contractors, interns, volunteers, or employees by another employee, supervisor, vendor, or third party based on actual or perceived race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth, and pregnancy-related conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, genetic information, or any other characteristic protected by applicable federal, state, or local laws.

### 2.6 Sexual Harassment

Sexual Harassment is a form of discrimination. Unwelcome sexual advances, requests for sexual favors, and other verbal, written or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of the individual's employment,

## IPOPIF EMPLOYEE HANDBOOK

- Submission to or rejection of such conduct by an individual is used as the basis for an employment decision affecting that individual, or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance and creating an intimidating, hostile, or offensive working environment.

Every person who works for IPOPIF, any person who is not an employee of IPOPIF but who directly performs services for the Fund pursuant to a contract, including contractors and consultants, and every Board Trustee has the right to perform their work free of sexual harassment in their working environment. For the purposes of this definition, the phrase "working environment" is not limited to a particular physical location to which an employee or non-employee is assigned to perform their duties but can be anywhere the individual may be performing their duties.

Sexual harassment includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a non-exhaustive list of sexual harassment examples:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to a sexual advance.
- Visual conduct that includes leering, making sexual gestures, or displaying of suggestive objects or pictures, cartoons or posters.
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes.
- Verbal sexual advances or propositions.
- Verbal comments or abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- Physical conduct that includes touching, assaulting or impeding or blocking movements.

Any person who believes they have been subjected to sexual harassment or has witnessed sexual harassment is obligated to immediately report the conduct to Human Resources or any other member of management with whom you feel comfortable.

### 2.7 Reporting Procedure

If you believe you have been subject to or have witnessed unlawful discrimination, including sexual or other forms of unlawful harassment, or other inappropriate conduct, you are required to immediately report this conduct. You may file a report directly with Human Resources or any other member of management with whom you feel comfortable. Similarly, if you observe acts of discrimination toward or harassment of another employee, you are required to immediately report this to Human Resources or any other member of management with whom you feel comfortable.

## IPOPIF EMPLOYEE HANDBOOK

You may also contact the Illinois Department of Human Rights for additional information or to file a charge of discrimination. The Illinois Department of Human Rights can be accessed online at <https://www2.illinois.gov/dhr> or by telephone at (217) 785-5100.

All reports of unlawful discrimination and harassment will be investigated promptly, and confidentiality will be protected to the extent possible. At the conclusion of the investigation, the affected parties shall be notified of the results of the investigation.

If the investigation confirms a violation of this policy, IPOPIF will take immediate, appropriate, corrective action, including discipline, up to and including immediate termination of employment or the termination of services by a third party.

### **2.8 Retaliation Prohibited**

Retaliation means adverse conduct taken because an individual reported an actual or a perceived violation of this policy, opposed practices prohibited by this policy, or participated in the reporting and investigation process.

Retaliation against any employee for raising issues of equal employment opportunity, reporting discrimination or harassment, including sexual harassment, requesting an accommodation, or participating or aiding in an investigation of discrimination, including sexual harassment, is strictly prohibited. Retaliation is also prohibited based on political affiliation and political positions. Employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of Human Resources. In addition, any employee who believes that he or she has been subjected to retaliation should bring the retaliatory conduct to the attention of Human Resources or any other member of management with whom the employee feels comfortable.

All reports of unlawful retaliation will be investigated promptly, and confidentiality will be protected to the extent possible. At the conclusion of the investigation, the affected parties shall be notified of the results of the investigation.

If the investigation confirms a violation of this policy, IPOPIF will take immediate, appropriate, corrective action, including discipline, up to and including immediate termination of employment or the termination of services by a third party.

**IPOPIF EMPLOYEE HANDBOOK**

**2.9 Annual Sexual Harassment Training**

Sexual harassment prevention training shall be provided at least once a year to all employees. Human Resources will provide employees with the training module and certification.

**SECTION 3  
WORKPLACE GUIDELINES AND EXPECTATIONS**

**3.1 Standards of Conduct**

We value professionalism in the workplace. It is every employee's responsibility to be aware of IPOPIF's rules, policies, and procedures, and to conduct oneself in accordance with them. The following list includes, but is not limited to, examples of activities which may result in immediate termination:

- Engaging in any violation of federal, state, or local law or engaging in any behavior that would bring IPOPIF's reputation into question.
- Any act that causes one's integrity to be questioned, such as intentional falsification of IPOPIF records and documents, fraud, theft, or unauthorized use of IPOPIF assets.
- Violation of IPOPIF's Alcohol and Drug Free Workplace Policy.
- Refusing to perform a job assignment or other reasonable request, insubordination, or discourteous conduct toward co-workers, supervisors or a Member.
- Any act that may create a dangerous situation, such as acts or threats of violence, intimidation, harassment, coercion, or disregard of property and safety standards.
- Any breach of IPOPIF's By-Laws or Ethics policy.
- Any act which violates IPOPIF's EEO, Discrimination and Harassment policies.
- Any act which reflects negatively on the Fund.

This list is not all-inclusive. Management has the right to exercise its discretion in disciplinary action, up to and including termination.

**3.2 Conflicts of Interest**

IPOPIF expects all employees to conduct themselves conscientiously, honestly and in accordance with the best interests of the Fund and in a manner that reflects the highest standards of ethical conduct and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

## IPOPIF EMPLOYEE HANDBOOK

Exactly what constitutes a conflict of interest, or an unethical Fund practice is both a moral and a legal question. IPOPIF recognizes and respects the individual employee's right to engage in activities outside of employment that are private in nature and do not in any way conflict with or reflect poorly on the Fund.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises in which there is a potential conflict of interest, the employee should discuss this with a manager for advice and guidance on how to proceed.

Employees are obligated to read and abide by IPOPIF's Ethics Policy, PP-2020-07, which details the conduct expected of employees and Board of Trustees alike. If there is any conflict between this section and PP-2020-07, the Ethics Policy shall take precedence. The following are some of the types of activities that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

1. Simultaneous employment by another entity that is a peer to, competitor of or supplier to IPOPIF.
2. Acquiring any business interest in an entity which conducts business with IPOPIF.
3. A close relative of an employee acquiring any business interest in an entity which conducts business with IPOPIF.
4. Holding a substantial interest in, or participating in the management of, an entity to which IPOPIF makes sales or from which it makes purchases.
5. Borrowing money from IPOPIF vendors other than recognized loan institutions, from which IPOPIF buys services, materials, equipment, or supplies.
6. Accepting any item of value from an entity or individual or the spouse or domestic partner, or immediate family members of such individuals who are doing business with the Fund or are seeking to do business with the Fund within the next twelve (12) months, or who have an interest that is substantially affected by Fund business. Such individuals can include but are not limited to lobbyists, attorneys, investment managers, consultants, professional service providers, brokers and vendors.
7. Speculating or dealing in materials, equipment, supplies, services, or property purchased by IPOPIF.
8. Violation of IPOPIF By-Laws or Policies.
9. Misusing privileged information or revealing confidential data to outsiders.
10. Using one's position in IPOPIF or knowledge of its affairs for personal gains.
11. Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of IPOPIF.

## IPOPIF EMPLOYEE HANDBOOK

12. Loss of independence or impartiality.
13. Adversely affecting public confidence in the integrity or the reputation of IPOPIF.
14. Endangering life, health, or safety.

### 3.3 Confidential Information

The protection of Confidential Information and trade secrets is vital to the interests and success of IPOPIF. Confidential Information includes any and all information about such things as IPOPIF's operations, practices and procedures, financial information, member information, software and hardware disclosed to or known by employees because of employment with IPOPIF, and any and all information disclosed to or known by the employee because of employment with IPOPIF that is not generally known to people outside IPOPIF.

An employee who improperly uses or discloses trade secrets or Confidential Information will be subject to disciplinary action up to and including termination of employment and legal action, even if the employee does not actually benefit from the disclosed information.

### 3.4 Employment Classification

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, IPOPIF classifies its employees as shown below. IPOPIF may review or change employee classifications at any time.

**Exempt:** Exempt employees are typically paid on a salary basis and are not eligible to receive overtime pay.

**Non-exempt:** Non-exempt employees are paid on an hourly basis and are eligible to receive overtime pay for over forty (40) hours per week worked. Non-exempt employees are further classified as follows:

- **Regular, full time.** Employees who are not in a temporary status and work a minimum of thirty (30) hours weekly and maintain continuous employment status. Generally, these employees are eligible for the full-time benefits package and are subject to the terms, conditions, and limitations of each benefits program.
- **Regular, part-time.** Employees who are not in a temporary status and who are regularly scheduled to work less than thirty (30) hours weekly but at least twenty (20) hours weekly and who maintain continuous employment status. Part-time employees are eligible for some of the benefits offered by IPOPIF and are subject to the terms, conditions, and limitations of each benefits program.

## IPOPIF EMPLOYEE HANDBOOK

- **Temporary, full time.** Employees who are hired as interim placements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work IPOPIF's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.
- **Temporary, part time.** Employees who are hired as interim placements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work less than thirty (30) hours weekly for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

### 3.5 Workweek and Hours of Work

The standard workweek is from Saturday 12:00 a.m. until Friday 11:59 p.m. and generally consists of forty (40) work hours per week. Office hours are 8:30 a.m. to 5:00 p.m. Individual work schedules may vary depending on the needs of IPOPIF.

### 3.6 Lunch Break

Employees are entitled to a 30-minute unpaid lunch break each day. Any non-exempt employee who is required to work through a lunch break will be paid for the 30-minute period.

### 3.7 Time Records

All non-exempt employees are required to complete accurate weekly time reports showing all time actually worked. These records are required by governmental regulations and are used to calculate regular and overtime pay. At the end of each week, employees must sign the time sheet attesting to its correctness before forwarding it to the Executive Director.

### 3.8 Overtime

When required due to the needs of IPOPIF, employees may be asked to work overtime. Overtime is actual hours worked in excess of forty (40) hours in a single workweek. Non-exempt employees will be paid overtime compensation at the rate of one and one-half their regular rate of pay for all hours over forty (40) actually worked in a single workweek. Paid leave, such as holidays, bereavement time, and jury duty, and paid time off (PTO) does not apply toward actual work time. All overtime work must be approved in advance by a supervisor or manager.

### 3.9 Deductions from Pay/Safe Harbor Exempt Employees

IPOPIF complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). Employees classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or change in position. All required deductions, such as for federal, state, and local taxes and all authorized voluntary deductions, such as for health insurance contributions, will be withheld automatically from pay.



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### 3.10 Permitted Deductions

The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., payroll taxes;
- Deductions for employee benefits when authorized by the employee or required by law;
- Absence from work for one (1) or more full days for personal reasons other than sickness or disability;
- Absence from work for one (1) or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice of providing compensation for salary lost due to illness;
- Offset for amounts received as witness or jury fees or for military pay;
- Unpaid disciplinary suspensions of one (1) or more full days imposed in good faith for workplace conduct rule infractions; *and*
- Any full workweek in which the employee does not perform any work.

During the week an exempt employee begins work for IPOPIF or during the last week of employment, the employee will only be paid for actual hours worked. In addition, an employee may be paid only for hours worked during a period when the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

### 3.11 Improper deductions

If an employee classified as exempt believes that an improper deduction has been taken from the employee's pay, the employee should immediately report the deduction to Human Resources. The report will be promptly investigated, and if it is found that an improper deduction has been made, IPOPIF will reimburse the employee for the improper deduction.

### 3.12 Direct Deposit

IPOPIF pay periods for all employees are semi-monthly via electronic direct deposit on the 15<sup>th</sup> and the last day of each month. If a payday falls on a state or federal holiday or a weekend, IPOPIF will deposit their pay on the preceding workday.

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### 3.13 Employee Benefits

IPOPIF recognizes the value of benefits to employees and their families.

IPOPIF is proud to offer comprehensive and competitive benefits designed to enhance an employee's work life. Regular full-time employees at IPOPIF are offered a comprehensive benefits plan that includes, but is not limited to:

- medical insurance
- dental insurance
- vision insurance
- term life insurance
- flexible spending account

If an employee has any questions regarding their eligibility for a benefit, they should speak with Human Resources.

As benefit options may be added and changed occasionally, please refer to the current benefits guide for all current offerings. For more information regarding certain benefits programs, please ask Human Resources for a copy of IPOPIF's Summary Plan Descriptions (SPD). To the extent the information provided in this Handbook conflicts with the SPD or full plan document, the full plan document will control.

### 3.14 Access to Personnel Files

IPOPIF abides by the Personnel Records Review Act (820 ILCS 0.01 et seq.) A personnel record of necessary job-related and personal information about each employee will be maintained and retained by Human Resources. ~~The personnel record is the property of IPOPIF.~~

#### Employee Personnel File Inspection

Normally, internal access to an employee's personnel record is limited to the Executive Director, Chief Investment Officer, Chief Financial Officer, General Legal Counsel, and Human Resources. An employee may request to inspect personnel documents which are, have been, or are intended to be used in determining that employee's qualifications for employment, promotion, transfer, additional compensation, discharge or other disciplinary action, unless exempted under Section 10 of the Personnel Record Review Act, 820 ILCS 40/10 ("Personnel File"). All inspection requests should be in writing and IPOPIF may require that such requests be made on a form supplied by IPOPIF.

The requesting employee will be given the opportunity to inspect their Personnel File within 7 working days after the request has been made, unless IPOPIF cannot meet the deadline, in which case IPOPIF will have an additional 7 days to comply. The inspection will take place at the IPOPIF

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office and during normal working hours. IPOPIF may, in its discretion, allow the inspection to take place at a time other than working hours or at a place other than the IPOPIF office if that time or place would be more convenient for the employee. An employee may request to inspect their Personnel File up to a maximum of 2 times per year, when requests are made at reasonable intervals.

The personnel record is the property of IPOPIF and shall not be removed at any time from IPOPIF office by the employee.

### Employee Personnel File Copy

Upon an employee's written request, IPOPIF will e-mail or mail a copy of the requested Personnel File to the employee for purposes of receiving the copy of the requested record. IPOPIF may charge the employee a fee limited to the actual cost of duplicating the requested record.

### Accuracy of Employee Personnel Files

Employees who question the accuracy of or disagree with any information contained in their record should bring the matter to the attention of the Executive Director. The matter will be brought to the attention of the necessary parties for further review. If it is decided that retention of disputed information is appropriate, the employee is entitled to place a brief statement in the record identifying the disputed material.

Requests for verification of employment by employees should be in writing. All requests for information pertaining to an employee or former employee from any outside source should be referred to the Executive Director.

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### 3.15 Employment of Relatives and Domestic Partners

IPOPIF shall not employ relatives and domestic partners of the IPOPIF Board of Trustees. Relatives and domestic partners of employees may be hired by IPOPIF if (1) the persons concerned will not work in a direct supervisory relationship, and (2) the employment will not pose difficulties for supervision, security, safety, or morale. For the purposes of this policy, “relatives” are defined as spouses, domestic partners, children, siblings, parents, or grandparents. A “domestic partnership” is generally defined as a committed relationship between two individuals who are sharing a home or living arrangements.

Current employees who marry each other or become involved in a domestic partnership will be permitted to continue employment with IPOPIF provided they do not work in a direct supervisory relationship with each other or otherwise pose difficulties as mentioned above. If employees who marry or live together do work in a direct supervisory relationship with each other, IPOPIF will attempt to reassign one of the employees to another position for which the employee is qualified if such a position is available. If no such position is available, the employees will be permitted to determine which one of them will resign from IPOPIF.

### 3.16 Attendance

All employees are expected to arrive on time, ready to work, every day they are scheduled to work.

If unable to arrive at work on time, or if an employee will be absent for an entire day, the employee must contact the Executive Director or Chief Investment Officer as soon as possible. Excessive absenteeism or tardiness will result in discipline up to and including termination. Failure to show up or call in for a scheduled shift without prior approval also may result in discipline up to and including termination. If an employee fails to report to work or call in to inform the supervisor of the absence for three (3) consecutive days or more, the employee will be considered to have voluntarily resigned employment.

### 3.17 Job Performance and Performance Reviews

Communication between employees and supervisors or managers is very important. Discussions regarding job performance are ongoing and often informal. Employees should initiate conversations with their supervisors if they feel additional ongoing feedback is needed.

Generally, formal performance reviews are conducted annually. These reviews include a written performance appraisal and discussion between the employee and the supervisor about job performance and expectations for the coming year.

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**3.18 Pay Adjustments**

Pay adjustments for regular full-time and regular part-time employees will normally take place at the start of each fiscal year. After an employee has worked for one year at IPOPIF, pay adjustments may occur after the beginning of the following fiscal year. Pay adjustments, if any, depend on the employee's work performance throughout the prior year.

**3.19 Outside Employment**

Employees generally are permitted to work a second job as long as it does not interfere with their job performance or create a conflict of interest with IPOPIF. All employees, including part-time employees, must obtain prior approval from Human Resources before undertaking any outside employment or other work activity.

Employees with a second job are expected to work their assigned schedules. A second job will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusing to work overtime or different hours. In addition, employees who have accepted outside employment may not use PTO to work on the second job. However, an employee on a leave of absence may continue to work the second job if this employment has been approved by IPOPIF under this policy and the employee's reason for the leave of absence does not preclude the outside employment.

If outside work activity causes or contributes to job-related problems, it must be discontinued, or the employee may be subject to disciplinary action up to and including termination.

**3.20 Dress and Grooming**

IPOPIF provides a casual yet professional work environment for its employees. Even though the dress code is business casual, it is important to project a professional image in the workplace. All employees are expected to dress in a manner consistent with good hygiene, safety, and good taste. Please use common sense.

Certain employees may be required to meet special dress and grooming expectations depending on the nature of their job. Any questions regarding the appropriateness of attire should be directed to the Executive Director or Chief Investment Officer.

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### 3.21 Lactation Room

After a child's birth and for at least one year after a child's birth, an employee who is breastfeeding her child will be provided reasonable paid break times as needed to express breast milk for her baby. IPOPIF has designated a room for this purpose. A refrigerator is available for storage purposes. Any breast milk stored in the refrigerator must be labeled with the name of the employee and the date the milk was expressed. Employees storing milk in the refrigerator assume all responsibility for the safety of the milk and the risk of harm for any reason, including improper storage or refrigeration.

A notice is available to post on the room door indicating the room is in use and the door is to remain closed.

### 3.22 Bulletin Boards

All required governmental postings are posted on the boards located in the break room. These boards may also contain general announcements. Postings in general office areas must be pre-approved.

Nothing in this policy is meant to, nor should it be interpreted to, in any way limit an employee's rights under any applicable federal, state, or local laws, including rights under the Illinois Public Labor Relations Act to engage in protected concerted activities with other employees to improve or discuss terms and conditions of employment, such as wages, working conditions, and benefits. Employees have the right to engage in or refrain from such activities.

### 3.23 Solicitation

Employees should be able to work in an environment that is free from unnecessary annoyances and interference with their work. In order to protect our employees and visitors, solicitation by employees is strictly prohibited while either the employee being solicited or the employee doing the soliciting is on "working time." Lunch breaks and time on the premises immediately before or after a shift does not count as "working time".

Employees are also prohibited from distributing written materials, handbills, or any other type of literature on working time and, at all times, in "working areas." "Working areas" do not include break rooms, parking lots, or common areas shared by employees during non-working time.

Nonemployees may not trespass or solicit or distribute materials anywhere on IPOPIF property at any time.

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Nothing in this policy is meant to, nor should it be interpreted to, in any way limit an employee's rights under any applicable federal, state, or local laws, including rights under the Illinois Public Labor Relations Act to engage in protected concerted activities with other employees to improve or discuss terms and conditions of employment, such as wages, working conditions, and benefits. Employees have the right to engage in or refrain from such activities.

### 3.24 Drug-Free and Alcohol-Free Workplace

It is the policy of IPOPIF to maintain a drug and alcohol-free work environment that is safe and productive for employees and others at the Fund.

Manufacturing, distributing, dispensing, possessing, or using illicit drugs, controlled substances, alcohol or cannabis (including medical marijuana) or a component thereof, such as THC, on premises or off premises, while the employee is conducting work for IPOPIF, is prohibited. The only exception is approved or sponsored functions or Fund-related meetings where alcohol may be served. At such functions or meetings, moderate consumption of alcohol is permitted, but reasonable standards of conduct must be maintained.

Employees are prohibited from being at work while under the influence of alcohol, cannabis (including medical marijuana) or a component thereof, such as THC, illegal drugs, or controlled substances. Any employee violating this prohibition will be subject to disciplinary action up to and including immediate discharge. If IPOPIF disciplines an employee on the basis that the employee is under the influence or impaired by cannabis, IPOPIF shall give the employee a reasonable opportunity to contest the basis of the determination.

An employee taking a drug or other medication, whether or not prescribed by a medical professional, which is known or publicized as possibly impairing judgment, coordination, or other senses important to the safe, productive performance of work must notify his/her supervisor prior to starting work. Management will decide whether the employee can continue to work, and/or impose any necessary work restrictions.

To ensure compliance with this policy, substance abuse screening may be conducted in the following situations:

- Preemployment: as required by IPOPIF for all prospective employees who receive a conditional offer of employment.
- For cause: upon reasonable suspicion that the employee is under the influence of alcohol or drugs that could affect or have adversely affected the employee's job performance.
- Random: as authorized or required by federal or state law.

Compliance with this policy is a condition of employment. Employees who test positive or who refuse to submit to substance abuse screening will be disciplined, up to and including termination. Notwithstanding any provision herein, this policy will be enforced at all times in accordance with applicable federal, state, and local law.

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**3.25 Smoke-Free Workplace**

Smoking is not allowed in IPOPIF’s office or work areas at any time. “Smoking” includes the use of any tobacco products (including chewing tobacco), electronic smoking devices, and e-cigarettes.

Smoking is only permitted during break times in designated outdoor areas. Employees using these areas are expected to dispose of any smoking debris safely and properly.

**3.26 Employee Assistance Program**

The Fund is interested in helping those who are willing to help themselves by voluntarily seeking outside assistance. Employees are encouraged to request assistance from reputable sources in the community or through our health insurance plan. The employee’s decision to seek such assistance will not be used as the basis for disciplinary action. However, seeking such assistance will not be a defense for violating Fund policy regarding drugs and alcohol. Nor will it excuse or limit the employee’s obligation to meet the Fund’s policies regarding attendance, job performance or safe behavior on the job.

**3.27 Disciplinary Procedure**

IPOPIF expects employees to comply with IPOPIF’s standards of behavior and performance and to correct any noncompliance with these standards.

Under normal circumstances, IPOPIF endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and an opportunity to improve. It does, however, retain the right to administer discipline in any manner it sees fit. This policy does not modify the status of employees as employees at will or in any way restrict IPOPIF’s right to accelerate discipline or immediately terminate employees.

The following steps are suggested in the discipline procedure. All steps should be documented in the employee’s personnel file:

Step 1: Informal Discussion. When a performance problem is first identified, the nature of the problem and the action necessary to correct it should be thoroughly discussed with the employee.

Step 2: Counseling. If a private informal discussion with the employee has not resulted in corrective action, following a thorough investigation, the supervisor should meet with the employee and (a) review the problem, (b) permit the employee to present information regarding the problem, (c) advise the employee that the problem must be corrected, (d) inform the employee that failure to correct the



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problem will result in further disciplinary action that may include discharge, and (e) issue a counseling notice to the employee.

Step 3: Reprimand. If satisfactory performance and corrective action are not achieved under Steps 1 and 2, the supervisor and a representative from Human Resource should meet with the employee in private and proceed to issue a reprimand notice to the employee.

Step 4: Suspension. The Executive Director has the authority to temporarily remove employees from the workplace, with or without pay. An exempt employee generally may not be suspended without pay for less than a full day, and the suspension must be related to written workplace conduct rules applicable to all employees, such as a written policy prohibiting sexual harassment or workplace violence.

Step 5: Failure to improve. Failure to improve performance or behavior after the written warning or suspension can result in termination.

The progressive disciplinary procedures described above also may be applied to an employee who is experiencing a series of unrelated problems involving job performance or behavior.

In cases involving serious misconduct, or any time the Executive Director or Chief Investment Officer determines it is necessary, such as a serious breach of policy or violation of law, the procedures outlined above may be disregarded. Typically, the supervisor should suspend the employee immediately (with or without pay), and an investigation of the incidents leading up to the suspension should be conducted to determine if any further action, such as termination, should be taken.

### **3.28 Separation from Employment**

In all cases of voluntary resignation (one initiated by the employee), employees are asked to provide a written notice to their supervisors at least ten (10) working days in advance of the last day of work. Holidays and PTO will not be counted toward the 10-day notice. Employees who provide the requested amount of notice will be considered to have resigned in good standing and generally will be eligible for rehire.

In most cases, the Executive Director, Chief Investment Officer, and/or Human Resources will conduct an exit meeting on or before the last day of employment to collect all IPOPIF property and to discuss final pay. If applicable, information regarding benefits continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA) will be sent to the employee's home address.

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**3.29 Press Inquiries**

All inquiries from the media must be referred to the Executive Director or Chief Investment Officer.

**3.30 Changes to Personal Information**

Employees are required to provide IPOPIF with current personal information, including their address, phone number, dependents, spouse's name, next of kin, and beneficiaries, as necessary for legitimate work-related purposes. Employees are required to notify IPOPIF regarding any change to this information within one week of its occurrence.

**SECTION 4**

**WORKPLACE SAFETY AND SECURITY**

**4.1 Commitment to Safety**

Protecting the safety of our employees and visitors is paramount at IPOPIF.

All employees have the opportunity and responsibility to contribute to a safe work environment by using common sense rules and safe practices and by notifying management when any health or safety issues are present. All employees are encouraged to partner with management to ensure maximum safety for all.

In the event of an emergency, notify the appropriate emergency personnel by dialing 911 to activate the emergency services.

Any workplace injury, accident, or illness must be reported to the employee's supervisor and Human Resources within 24 hours, unless it is physically impossible to do so.

**4.2 Visitors**

In order to maintain security and safety for our employees, IPOPIF has the following policy with respect to visitors:

- All visitors must check in with the receptionist.
- This policy applies to anyone who is not an active employee, including employees on leave, former employees, vendors, and suppliers, excluding Board Trustees.
- When employees have any doubt whether a person can visit, they should contact the Executive Director or Chief Investment Officer for clarification and authorization.

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### 4.3 IPOPIF Property

It is IPOPIF's goal to respect the individual privacy of its employees and at the same time maintain a safe and secure workplace. When issues of safety and security arise, you may be requested to cooperate with an investigation. The investigation may include the following procedures to safeguard IPOPIF and its employees: searches of personal belongings, searches of work areas, searches of private vehicles on IPOPIF premises, medical examinations, and the like. Failure to cooperate with an investigation is grounds for termination. Providing false information during any investigation may lead to discipline, including termination.

Employees are expected to make use of IPOPIF facilities only for advancing Fund purposes. Accordingly, materials that appear on IPOPIF hardware or networks are subject to review by IPOPIF at any time without notice to the employees. Employees should not have any expectation of privacy with respect to any material on IPOPIF property, including IPOPIF computers and phones. IPOPIF regularly monitors its communications systems and networks as allowed by law. Monitored activity may include voice, e-mail, and text communications, as well as Internet search and browsing history. Employees who make excessive use of the communications system for personal matters are subject to discipline. Employees are expected to keep personal communication to a minimum and to emergency situations.

Office telephones are for conducting Fund business. While IPOPIF recognizes that some personal calls are necessary, these should be kept as brief as possible and to a minimum. Where applicable, personal use of IPOPIF's cell phones, long-distance account, or toll-free numbers is strictly prohibited. Abuse of these privileges is subject to corrective action up to and including termination.

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### 4.4 Use and Protection of Social Security Numbers

Social Security numbers obtained from employees, vendors, contractors, customers, or others are Confidential Information. Social Security numbers will be obtained, retained, used, and disposed of only for legitimate Fund reasons and in accordance with the law and this policy.

Documents or other records containing employee Social Security numbers generally will be requested, obtained, or created only for legitimate Fund reasons consistent with this policy. For example, Social Security numbers may be requested from employees for tax reporting purposes (i.e., Internal Revenue Service (IRS) Form W-4), for new hire reporting, or for purposes of enrollment in IPOPIF's employee benefit plans.

All records containing Social Security numbers (whether partial or complete) will be maintained in secure, confidential files with limited access.

Any employee who obtains, uses, or discloses Social Security numbers for unauthorized purposes or contrary to the requirements of this policy and procedure may be disciplined, up to and including discharge. IPOPIF will cooperate with government investigations of any person alleged to have obtained, used, or disclosed Social Security numbers for unlawful purposes.

**4.5 Video Surveillance.** As part of its security measures and to help ensure a safe workplace, IPOPIF reserves the right to position video cameras to monitor various areas of its facilities. Video cameras will not be used in private areas, such as break rooms, restrooms, locker/dressing rooms, etc. Videotapes will not include an audio component.

### 4.6 Workplace Violence Prevention

IPOPIF is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, we discourage employees from engaging in any physical confrontation with a violent or potentially violent individual or from behaving in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse; attempts to intimidate others; menacing gestures; stalking; or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at IPOPIF sponsored events.

All IPOPIF employees bear the responsibility of keeping our work environment free from violence or potential violence. Any employee who witnesses or is the recipient of threats or violent behavior should promptly inform their supervisor or Human Resources. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

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Any individual engaging in violence against IPOPIF, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.

**4.7 Emergency Closings**

IPOPIF's mission requires that the Fund operates year round.

However, there may be situations in which employees may choose to leave the office if they feel immediate concern for their safety. Employees must notify the Executive Director or the Chief Investment Officer about this situation as soon as practicable.

If the office is officially closed early due to an emergency, non-exempt employees who are working on-site as of the time of the closing will be paid for the actual hours they were unable to work that day. Exempt employees will be paid for a normal full day but are expected to complete their work at another time.

**SECTION 5**

**TECHNOLOGY AND SOCIAL MEDIA USE AND RESTRICTIONS**

**5.1 Computers, Internet, E-Mail, and Other Resources**

IPOPIF provides a wide variety of communication tools and resources to employees for use in running day-to-day Fund business activities. The IPOPIF telephone, voicemail, scanner, Internet, intranet, e-mail, text messaging, portable electronic devices, or any other IPOPIF-provided technology should be reserved for Fund related matters. All communication using these tools should be handled in a professional and respectful manner.

Employees should not have any expectation of privacy in their use of IPOPIF computer, phone, portable electronic devices, or other communication tools. Furthermore, all communications related to IPOPIF matters, regardless if they are made using one's personal equipment or services or IPOPIF-provided equipment or services, including e-mail and Internet activity, may be subject to disclosure under the Illinois Freedom of Information Act, and are subject to inspection by IPOPIF. Furthermore, internal and external e-mails are considered business records and may be subject to federal and state recordkeeping requirements, as well as to discovery in the event of litigation. Be aware of this possibility when sending e-mails within and outside IPOPIF.

All communications systems and equipment, including telephone, computers, voicemail, and e-mail are the property of IPOPIF and IPOPIF reserves the right to access, monitor and record without notice to the employee all telephone and electronic communications made via IPOPIF systems and equipment. The reason for recording and monitoring is to ensure that members receive complete and accurate information, for training purposes, and to generally ensure quality control among the staff.

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Please note that in the course of monitoring or reviewing recorded calls for quality control or training purposes, or reviewing e-mails or voicemails, it is possible that the person monitoring or reviewing may overhear or read personal communications. To ensure that personal communications remain private, employees should utilize personal email and non-IPOPIF cellular telephones when communicating regarding a personal subject matter. However, work related communications must be made via IPOPIF equipment and systems. Employees should keep in mind that even if they delete an e-mail, a voicemail, or another communication, a copy may be archived on IPOPIF's systems.

Employee use of IPOPIF-provided communication systems, including personal e-mail and Internet use, which is not job-related has the potential to drain, rather than enhance, productivity and system performance. Employees should also be aware that information transmitted through e-mail and the Internet is not completely secure or may contain viruses or malware, and information employees transmit and receive could damage IPOPIF's systems, as well as the reputation and/or competitiveness of IPOPIF. To protect against potential problems, delete any e-mail messages before opening that are received from unknown senders and advertisers. It also is against IPOPIF policy to turn off antivirus protection software or make unauthorized changes to system configurations installed on IPOPIF computers. Violations of this policy may result in termination for a first offense.

All use of IPOPIF-provided communications systems, including e-mail and Internet use, should conform to our IPOPIF guidelines/policies, including but not limited to the Equal Opportunity, Harassment, Confidential Information, and Conflicts of Interest policies. So, for example, employees should not engage in harassing or discriminatory behavior that targets other employees or individuals because of their protected class status or make defamatory comments. Similarly, employees should not divulge Confidential Information such as trade secrets, client lists, or information restricted from disclosure by law on social media sites.

The electronic communication systems are not secure and may allow inadvertent disclosure, accidental transmission to third parties, etc. Sensitive information should not be sent via unsecured electronic means.

Employees should pay particular care to the use and security of portable electronic devices when used for business-related purposes, such as laptops, tablets, smartphones, and other data storage media. Lost or stolen portable electronic devices containing IPOPIF information may cause breaches of security that result in the loss of IPOPIF confidential commercial data, the loss of vital research data, the unauthorized disclosure of sensitive employee data, lawsuits against the individual, and lawsuits against IPOPIF. Employees should use appropriate password protections for such devices and physically secure them as required by IT.

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### 5.2 Social Media Acceptable Use

As used in this policy, “social media” refers to blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube, Instagram, and Snapchat, among others.

IPOPIF encourages employees to share information with co-workers and with those outside IPOPIF for the purposes of gathering information, generating new ideas, and learning from the work of others. Social media provides inexpensive, informal, and timely ways to participate in an exchange of ideas and information. However, information posted on a website is available to the public, and therefore, IPOPIF has established the following guidelines for employee participation in social media.

**Off-duty use of social media:** Employees may maintain personal websites or weblogs on their own time using their own equipment and property during non-work hours. Employees must ensure that social media activity does not interfere with their work. In general, IPOPIF considers social media activities to be personal endeavors, and employees may use them to express their thoughts or promote their ideas. In addition, employees may not post on a personal blog or webpage or participate on a social networking platform for personal purposes during work time or at any time with IPOPIF equipment or property.

**On-duty use of social media:** Employees may engage in social media activity during work time provided it is directly related to their work and approved by their manager and does not identify or reference IPOPIF members, other employees or vendors without express permission. IPOPIF monitors employee use of IPOPIF computers and the Internet, including employee blogging and social networking activity.

**Respect:** Demonstrate respect for the dignity of IPOPIF, its Members, its vendors, and its employees. A social media site is a public place, and employees should avoid inappropriate comments. For example, employees should not divulge IPOPIF Confidential Information such as trade secrets, client lists, or information restricted from disclosure by law on social media sites. Similarly, employees should not engage in harassing or discriminatory behavior that targets other employees or individuals because of their protected class status or make defamatory comments or engage in other behavior that violates IPOPIF’s policies.

**Post disclaimers:** Employees who identify themselves as IPOPIF employees or discuss matters related to IPOPIF on a social media site must include a disclaimer on the front page stating that it does not express the views of IPOPIF and that the employees are expressing only personal views—for example: “The views expressed on this website/Weblog are mine alone and do not necessarily reflect the views of my employer.” Place the disclaimer in a prominent position and repeat it for each posting expressing an opinion related to IPOPIF or IPOPIF’s business. Employees must keep in mind that if they post information on a social media site that is in violation of IPOPIF policy and/or federal, state, or local law, the disclaimer will not shield them from disciplinary action.

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**Competition:** Employees should not use social media to criticize any person or public or private entity with whom IPOPIF has a relationship.

**Confidentiality:** Employees should not identify or reference other IPOPIF employees, IPOPIF Members or vendors without express permission. Employees may write about their jobs in general but may not disclose any Confidential or proprietary information. For examples of Confidential Information, please refer to the confidentiality policy. When in doubt, ask before publishing.

**New ideas:** Please remember that new ideas related to work or IPOPIF's business belong to IPOPIF. Do not post them on a social media site without IPOPIF's permission.

**Trademarks and copyrights:** Do not use IPOPIF's or others' trademarks on a social media site or reproduce IPOPIF's or others' material without first obtaining permission from the Executive Director or Chief Investment Officer.

**Legal:** Employees are expected to comply with all applicable state and federal laws, including, but not limited to, Federal Trade Commission (FTC) guidelines and copyright, trademark, and harassment laws.

**Discipline:** Violations of this policy may result in discipline up to and including immediate termination of employment.

Nothing in this policy is meant to, nor should it be interpreted to, in any way limit an employee's rights under any applicable federal, state, or local laws, including rights under the Illinois Public Labor Relations Act to engage in protected concerted activities with other employees to improve or discuss terms and conditions of employment, such as wages, working conditions, and benefits. Employees have the right to engage in or refrain from such activities.



IPOPIF EMPLOYEE HANDBOOK

SECTION 6

TIME OFF AND LEAVES OF ABSENCE

6.1 Holidays

IPOPIF observes the following State of Illinois holidays:

- New Year's Day
- Martin Luther King Day
- Lincoln's Birthday
- Washington's Birthday (President's Day)
- Memorial Day
- Juneteenth National Freedom Day
- Independence Day
- Labor Day
- Columbus Day
- General Election Day
- Veterans' Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Day

Generally, if one of these holidays falls on a Sunday, it will be observed on the following Monday. If the holiday falls on a Saturday, generally IPOPIF will select either the following Monday or the preceding Friday as a substitute holiday. IPOPIF reserves the right to pay eligible employees in lieu of time off if the holiday falls on Saturday, Sunday or state or federal holiday.

**Holiday pay:** Exempt and regular full-time employees are eligible for holiday pay. Regular part-time employees will be paid holiday pay for any hours they would have normally worked on the holiday. All temporary full-time and temporary part-time employees, including summer employees, are not eligible for holiday pay.

Holiday pay shall be at the employee's regular straight-time rate of pay.

To receive holiday pay, an eligible non-exempt employee must have worked the workday immediately preceding and immediately following the day on which the holiday is observed. If an employee is absent on one or both these days because of an illness or injury, IPOPIF may require verification of the reason for the absence before approving holiday pay. Employees on unpaid leaves of absence or who are being paid through short or long-term disability, or workers' compensation are not eligible for holiday pay.

**Religious observances:** Employees who need time off to observe religious practices or holidays not already scheduled by IPOPIF should speak with their supervisor. Depending upon the needs

## IPOPIF EMPLOYEE HANDBOOK

of the Fund, the employee may be able to work on a day that is normally observed as a holiday and then take time off for another religious day. Employees may also be able to switch a scheduled day with another employee, take PTO time, or take off unpaid days. IPOPIF will seek to reasonably accommodate individuals' religious observances.

### 6.2 Paid Time Off

IPOPIF recognizes the importance of time off from work to relax, spend time with family, and enjoy leisure activities. IPOPIF provides Paid Time Off (PTO) to regular full-time employees for this purpose, and employees are encouraged to take PTO during the year. PTO is a bank of hours in which IPOPIF pools sick days and vacation days that allows employees to use as the need arises, and without the need for additional explanation to IPOPIF.

All exempt and regular full-time employees are eligible to accrue PTO on a pro-rata basis every payroll period and request the use of accrued PTO. The number of business days an employee is entitled to accrue during an anniversary year is based on years of service from the date the employee commenced continuous employment with IPOPIF.

Exempt and regular full-time employees will accrue PTO, pro-rated throughout the year based on a pay period basis, according to the following schedule:

<u>Service Period</u>	<u>PTO Days</u>
<u>Years 1 through 4</u>	<u>20 Business Days</u>
<u>Years 5 and beyond</u>	<u>25 Business Days</u>

In the first year of service, PTO days granted will be pro-rated based on full months of service from the date of hire. An employee that is hired in the first half of the month will receive the full month's accrual. If the employee is hired in the second half of the month, the accrual will be given at half the month's full accrual. New hires are eligible to begin to take this PTO time immediately as it accrues.

Part-time employees are eligible to accrue PTO on a pro-rata basis of the PTO for exempt and regular full time employees (based on a 40 hour work week). For purposes of determining part-time employees' Service Period, one year of service for part-time employees will be equal to two thousand and eighty (2080) hours actually worked. Part-time employees will accrue pro-rated PTO Days based on hours actually worked. For example, a part-time employee who works twenty (20) hours a week will accrue one half (1/2) of the PTO accrued by an exempt or full-time employee during the same time period.

Generally, if an employee's request to use PTO is foreseeable, an employee should submit PTO plans to their supervisor at least 7 days4 weeks in advance of the requested PTO date. If an employee's request to use PTO is unforeseeable, then the employee should submit a request to

## IPOPIF EMPLOYEE HANDBOOK

their supervisor as soon as practically possible. Employees may take PTO in no less than two-hour increments. – IPOPIF may deny an employee’s request to use PTO under limited circumstances as necessary to meet IPOPIF’s operational needs for the requested time period. Managers have the right to designate when some or all of PTO must be taken.

Employees should try to use PTO in the year it is earned. –However, if they do not, an Exempt and full-time employees may accrue up to a maximum of two years one year of earned PTO at any one time. The maximum of earned PTO that part-time employees may accrue will be pro-rated based on hours actually worked. Any unused PTO over the maximum allowed for accrual will be forfeited at the end of each fiscal year.

IPOPIF will make and preserve a record documenting hours worked, PTO accrued, taken and remaining for each employee for a period of no less than 3 years.

Employees whose employment terminates will be paid for earned, unused PTO time that has accrued up to the maximum during the calendar year of the termination.

### 6.3 Family and Medical Leave

FMLA provides eligible employees up to 12 weeks of unpaid, job-protected leave in any 12-month period for certain family and medical reasons. The 12-month period is a rolling period measured backward from the date an employee uses any FMLA leave, except for leaves to care for a covered servicemember with a serious illness or injury. For those leaves, the leave entitlement is 26 weeks in a single 12-month period measured forward from the date an employee first takes that type of leave.

**Basic Leave Entitlement.** FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons: (1) for incapacity due to pregnancy, prenatal medical care, or childbirth; (2) to care for the employee’s child after birth or placement for adoption or foster care; (3) to care for the employee’s spouse, child, or parent who has a serious health condition; or (4) for a serious health condition that makes the employee unable to work.

**Military Family Leave Entitlements.** Eligible employees with a spouse, child, or parent on active duty or called to active-duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include addressing issues that arise from (1) short notice of deployment (limited to up to 7 days of leave); (2) attending certain military events and related activity; (3) arranging child care and school activities; (4) addressing certain financial and legal arrangements; (5) attending certain counseling sessions; (6) spending time with covered military family members on short-term temporary rest and recuperation leave (limited to up to 5 days of leave); (7) attending post deployment reintegration briefings; (8) arranging care for or providing care to a parent who is incapable of self-care; and (9) any additional activities agreed upon by the employer and employee that arise out of the military member’s active duty or call to active duty.

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FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the armed forces, including a member of the National Guard or reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of the servicemember's office, grade, rank, or rating and for which the servicemember is undergoing medical treatment, recuperation, or therapy; is in outpatient status; or is on the temporary disability retired list.

**Benefits and Protections During FMLA Leave.** During FMLA leave, IPOPIF will maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees will be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. However, an employee on FMLA leave does not have any greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA leave period.

Certain highly compensated key employees also may be denied reinstatement when necessary to prevent "substantial and grievous economic injury" to IPOPIF's operations. A "key" employee is an eligible salaried employee who is among the highest-paid 10 percent of IPOPIF's employees. Employees will be notified of their status as key employees, when applicable, after they request FMLA leave.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued before the start of an employee's leave.

**Employee Eligibility.** The FMLA defines eligible employees as employees who (1) have worked for IPOPIF for at least 12 months; and (2) have worked for IPOPIF for at least 1,250 hours in the previous 12 months.

**Definition of "Serious Health Condition."** A serious health condition is an illness, an injury, an impairment, or a physical or mental condition that involves either an overnight stay in a medical care facility or continuing treatment by a healthcare provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school, work, or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a healthcare provider or one (1) visit and a regimen of continuing treatment, incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of "continuing treatment."

**Use of leave.** An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced work schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt

## IPOPIF EMPLOYEE HANDBOOK

the employer's operations. Leave due to qualifying exigencies also may be taken on an intermittent or a reduced work schedule basis.

**Substitution of paid leave for unpaid leave.** Employees may choose or IPOPIF may require the use of accrued PTO while taking FMLA leave. Accordingly, IPOPIF requires employees to use any accrued PTO during an unpaid FMLA leave taken because of the employees' own serious health condition or the serious health condition of a family member or to care for a seriously ill or injured family member in the military. In addition, employees must use any accrued PTO during FMLA leave taken to care for a newborn or newly placed child or for a qualifying exigency arising out of a family member's active duty or call to active-duty status in support of a contingency operation. In order to use paid leave for FMLA leave, employees must comply with IPOPIF's normal paid leave procedures found in its PTO policy.

**Employee responsibilities.** Employees must provide 30 days' advance notice to Human Resources of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, employees must provide notice to Human Resources as soon as practicable and generally must comply with IPOPIF's normal call-in procedures. IPOPIF may delay leave to employees who do not provide proper advance notice of the foreseeable need for leave, absent unusual circumstances preventing the notice.

Employees must provide sufficient information for IPOPIF to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a healthcare provider, or circumstances supporting the need for military family leave. Employees also must inform IPOPIF if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also are required to provide a certification and periodic recertification supporting the need for leave. IPOPIF also may require a second and, if necessary, a third opinion (at IPOPIF's expense) and, when the leave is a result of the employee's own serious health condition, a fitness-for-duty report to return to work. IPOPIF also may delay or deny approval of leave for lack of proper medical certification.

**IPOPIF Responsibilities.** IPOPIF will inform employees requesting leave whether they are eligible under FMLA. If they are, the notice will specify any additional information required, as well as the employees' rights and responsibilities. If employees are not eligible, IPOPIF will provide a reason for the ineligibility.

IPOPIF will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employees' FMLA leave entitlement. If IPOPIF determines that the leave is not FMLA-protected, IPOPIF will notify the employees.

**Other Provisions.** FMLA regulations permit hourly amounts to be deducted for unpaid leave from the salary of executive, administrative, and professional employees; certain highly skilled

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computer professionals; and certain highly compensated employees who are exempt from the minimum wage and overtime requirements of FLSA, without affecting the employees' exempt status. This special exception to the "salary basis" requirements for FLSA's exemptions extends only to eligible employees' use of FMLA leave.

Employees may not perform work for self-employment or for any other employer during an approved leave of absence, except when the leave is for military or public service and the employee's reason for FMLA leave does not preclude the outside employment.

**Unlawful Acts By Employers.** FMLA makes it unlawful for any employer (1) to interfere with, restrain, or deny the exercise of any right provided under FMLA or (2) to discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

**Enforcement.** An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

### 6.4 Military Leave

IPOPIF supports the military obligations of all employees and grants leaves for uniformed service in accordance with applicable federal and state laws. Any employee who needs time off for uniformed service should immediately notify Human Resources and the employee's supervisor, who will provide details regarding the leave. If an employee is unable to provide notice before leaving for uniformed service, a family member should notify IPOPIF as soon as possible.

Upon return from military leave, employees will be granted the same seniority, pay, and benefits as if they had worked continuously. Failure to report for work within the prescribed time after completion of military service will be considered a voluntary termination.

All employees who enter military service may accumulate a total absence of 5 years and still retain employment rights for active duty deployment.

### 6.5 Victim's Economic Security and Safety Act (VESSA)

Any employee is eligible for up to a total of four (4) weeks of unpaid leave during any rolling twelve (12) month period who:

- Experiences an incident of domestic violence, sexual violence, gender violence or other crime of violence.
- Whose family or household member is a victim of domestic, sexual violence, gender violence or other crime of violence.

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- Experiences a homicide, sex offense, bodily harm (assault/battery), harassing and obscene communications or armed violence.
- Is seeking or receiving medical help, legal assistance (including participation in legal proceedings), counseling, safety planning, or other assistance for domestic violence, sexual violence, gender violence or other crime of violence.
- Is temporarily or permanently relocating as a result of domestic violence, sexual violence, gender violence or other crime of violence.
- Is seeking medical attention for, or recovery from, physical or psychological injuries caused by domestic, gender violence, sexual violence or other crime of violence to the employee, the employee's family, or household member.
- Is obtaining services from a victim services organization for the employee or the employee's family or household member for any of the above acts of violence.
- Is obtaining psychological or other counseling for the employee or the employee's family or household member for any of the above acts of violence.
- Is participating in safety planning, is temporarily or permanently relocating or taking other actions to increase the safety of the employee or the employee's family or household member from future domestic, sexual violence, gender violence or other crime of violence, or to ensure economic security.
- Is seeking legal assistance or remedies to ensure the health and safety of the employee or the employee's family or household member, including preparing for or participating in any civil or criminal legal proceeding related to or derived from domestic, gender or sexual violence, or other crime of violence; or
- Is taking other actions to increase the safety of the victim from future domestic, sexual or gender violence, or other crime of violence, or to ensure economic security.

A family or household member means a spouse or a party to a civil union, parent, grandparent, child, grandchild, sibling, or any other person related by blood or by present or prior marriage, or civil union, other person who shares a relationship through a child, or any other individual whose close association with the employee is the equivalent of a family relationship as determined by the employee, and persons jointly residing in the same household.

An employee is entitled to a total four (4) work weeks of unpaid leave for the above stated reasons during a rolling 12-month period measured backward from the date an employee commences any VESSA leave. Additionally, leave may be taken consecutively, intermittently, or on a reduced work schedule in increments of less than four (4) weeks.

### [VESSA Bereavement](#)

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Any employee is entitled to use a cumulative total of not more than 2 workweeks (10 workdays) of unpaid leave for the following:

- Attending the funeral or alternative to a funeral or wake of a family or household member who is killed in a crime of violence.
- Making arrangements necessitated by the death of a family or household member who is killed ~~kicked~~ in a crime of violence.
- Grieving the death of a family or household member who is killed in a crime of violence.

Leave under this subsection must be taken within 60 days after the date on which the employee receives notice of the death of the victim. Leave under this subsection is not in addition to leave under the Family Bereavement Leave Act, as set forth below, nor does leave under this subsection diminish or limit the total four (4) work weeks of unpaid leave under VESSA as set forth above. However, if an employee is ineligible to take leave under the Family Bereavement Leave Act, leave under this subsection will be deducted from, and is not in addition to, the total four (4) work weeks of unpaid leave under VESSA.

### **Employee Benefits During Leave of Absence**

During the four (4) week period of approved VESSA leave, an employee may elect, but is not required, to use any accrued PTO for his/her leave of absence. In addition, the employee's health insurance benefits will continue under the same conditions that coverage would have been provided if the employee had remained actively at work. The employee will not accrue other benefits during the VESSA leave. Upon return from leave which has extended no longer than a total of four (4) weeks in a rolling 12-month period, the employee will be restored to his or her former position, or to an equivalent position with equivalent employment benefits, pay and other terms and conditions of employment. The employee may purchase service credit for any unpaid portion of the leave. IPOPIF will not hold an employee's position for longer than four (4) weeks. IPOPIF will consider an employee who fails to return to work at the expiration of leave to have voluntarily resigned.



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### Certification

The employee shall provide IPOPIF with at least 48 hours advance notice of the employee's intention to take leave, except in such cases where it is not practical to provide such notice. If an unscheduled absence occurs, IPOPIF may not take action against the employee if the employee, upon request of IPOPIF and within a reasonable period after the absence, provides certification.

IPOPIF may require certification that VESSA leave will be taken for one of the purposes enumerated above. An employee may satisfy such a certification requirement with a sworn statement from the employee, and any one of the following documents as follows:

- Documentation from an employee, agent, or volunteer victim services organization, attorney, member of the clergy, or a medical or other professional from whom the employee or the employee's family or household member has sought assistance in addressing domestic, gender or sexual violence, or any other crime of violence and the effects of violence;
- A police or court record;
- [A death certificate, published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or government agency-](#) or
- Other corroborating evidence.

All information provided to IPOPIF pursuant to this subsection, including a statement of the employee or any other documentation, record, or corroborating evidence, and the fact that the employee has requested or obtained leave pursuant to this section, will be maintained in the strictest confidence by IPOPIF, except to the extent that disclosure is:

- Requested or consented to in writing by the employee; or
- Otherwise required by applicable law.

If the four (4) weeks of VESSA leave has expired, and the employee has not returned to work, the employee may elect to continue health insurance coverage by purchasing it pursuant to COBRA. VESSA time runs concurrently with FMLA leave.

**Non-Discrimination Policy:** IPOPIF shall not discriminate, harass or retaliate against any individual because an employee is or is perceived to be a victim of any of the acts described above, attended, participated in, prepared for or requested leave to attend, participate in, or prepare for a criminal or civil court proceeding relating to an incident described above of which the employee or a family or household member was a victim or requested or took leave for any other reason covered by VESSA, or because the workplace is disrupted or threatened by someone who has committed or threatened to commit any of the acts described above against the employee or a family or household member.

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IPOPIF shall at all times attempt to accommodate an employee's request for a reasonable accommodation under VESSA in a timely manner. Any exigent circumstances or danger facing the employee or his or her family or household member shall be considered in determining whether an accommodation is reasonable.

However, there may be situations in which a reasonable accommodation may not be possible or may have to be adjusted if it imposes an undue hardship on the Fund. The employee should speak with Human Resources as soon as possible to address all concerns. For more information, please see the VESSA poster in the break room. If an employee feels that his or her concerns are not being adequately addressed, the employee may contact or file a complaint with the Illinois Department of Labor by calling (312) 793-6796 or go online for further information and file a complaint: <https://www2.illinois.gov/idol/Laws-Rules/CONMED/Pages/vessa.aspx>

**Coordination with Other Policies:** All other FMLA, VESSA and non-FMLA leaves of absence, including approved worker's compensation time greater than three (3) working days shall run concurrently with eligible FMLA time. If the four (4) weeks of leave has expired, and the employee has not returned to work, the employee may elect to continue health insurance coverage by purchasing it pursuant to COBRA.

### 6.6 Bereavement Leave

Exempt and regular full-time employees with more than 3 months' service may take up to 3 days of paid bereavement leave, per calendar year, upon the death of a member of their immediate family. "Immediate family members" are defined as an employee's spouse, domestic partner, parents, stepparents, siblings, children, stepchildren, grandparent, parent-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law or grandchild.

All regular, full-time employees may take up to 1 day off with pay to attend the funeral of an extended family member (aunts, uncles, and cousins).

IPOPIF may require verification of the need for the leave. The Executive Director will consider this time off on a case-by-case basis.

Payment for bereavement leave is computed at the regular hourly rate for 1 day. Time off granted in accordance with this policy shall not be credited as time worked for the purpose of computing overtime.

### 6.7 ~~Family~~ Child Bereavement Leave Act

Pursuant to the Illinois ~~Child Bereavement Leave Act~~ Family Bereavement Leave Act, employees may take up to 10 workdays of unpaid bereavement leave ~~to grieve the death of a child for any of the following reasons:~~

- [Attend the funeral or alternative to a funeral of a covered family member:](#)

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- Make arrangements necessitated by the death of the covered family member;
- Grieve the death of the covered family member; or
- Be absent from work due to (A) a miscarriage; (B) an unsuccessful round of intrauterine insemination or of an assisted reproductive technology procedure; (C) a failed adoption match or an adoption that is not finalized because it is contested by another party; (iv) a failed surrogacy agreement; (D) a diagnosis that negatively impacts pregnancy or fertility; or (E) a stillbirth.

Employees covered by this Act need to have been employed for more than 12 months and have worked more than 1,250 hours.

As used above, "covered family member" means an Eligible employee's ~~may take the leave for the death of a~~ biological, adopted, foster child, stepchild, legal ward, ~~or a~~ child of a person standing in *loco parentis*, spouse, domestic partner, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent. Employees intending to take leave should provide at least 48 hours advance notice, unless providing such notice is not reasonable and practicable when possible.

Bereavement leave must be completed within 60 days of the date on which the employee receives notice of the death. In the event of the death of more than one covered family member~~child~~ in a 12-month period, an employee may take up to 6 weeks of unpaid bereavement leave.

IPOPIF may require the employee to provide reasonable documentation to substantiate the need for leave, as permitted by the Act.

Exempt and Regular full-time~~el~~ employees may elect to substitute PTO for unpaid leave but are not required to do so. PTO will continue to accrue for the time period in which an employee uses accrued PTO for family~~child~~ bereavement leave.

### 6.8 Non-FMLA Parental Leave

This policy applies to certain regular full-time and regular part-time IPOPIF employees who do not qualify for FMLA leave but who meet the criteria outlined below. Employees who do qualify for FMLA leave should refer to the FMLA policy above.

IPOPIF will provide up to twelve (12) weeks of unpaid parental leave to employees following the birth of an employee's child or the placement of a child age 17 years or younger with an employee in connection with an adoption, placement in foster care or legal guardianship with physical custody. The purpose of parental leave is to enable the employee to care for and bond with a

## IPOPIF EMPLOYEE HANDBOOK

newborn or a newly-adopted or newly-placed child. This policy will run concurrently with Short-Term Disability, as applicable.

Eligible employees must meet the following criteria:

- Be a regular part-time or regular full-time employee (temporary employees and interns are not eligible for this benefit).
- Have been employed with IPOPIF for at least six months.

In addition, employees must meet one of the following criteria:

- Have given birth to a newborn child;
- Be a spouse, domestic partner, or have shared legal custody with an individual who has given birth to a child or is a parent of a newborn child;
- Have received a placement of a child age 17 or younger in connection with an adoption, legal guardianship with physical custody, or foster care.

**Amount, Time Frame, and Duration of Parental Leave:** Eligible employees will receive a maximum of twelve (12) weeks of unpaid parental leave per birth, adoption, or placement of a child/children within one year of birth or placement. The fact that multiple births, adoptions, or placements occur (e.g., the birth of twins or adoption of siblings) does not increase the twelve week total amount of parental leave granted for this event.

In no case will an employee receive more than twelve (12) weeks of parental leave in a rolling 12-month period, regardless of whether more than one birth, adoption, or foster care placement event occurs within that twelve (12) month time frame. Spouses, domestic partners, or those legally sharing child custody who are both employed by IPOPIF and who are eligible for FMLA leave or Non-FMLA Parental Leave, will be limited to a combined total of 12 weeks of leave during any rolling 12-month period.

- Approved non-FMLA Parental Leave may be taken any time during the 12-month period immediately following the birth, adoption or placement of a child with the employee. However, employees must take non-FMLA Parental Leave in one continuous period of leave and must use all parental leave during the 12-month time frame indicated above.
- In the event of an employee who has given birth, the 12 weeks of parental leave will run concurrently with any short-term disability leave, if applicable.

### **Coordination with Other Policies:**

Parental leave taken under this policy will run concurrently with any available short-term disability. The number of days taken under this policy will count towards and may affect an employee's eligibility to qualify for FMLA within a twelve (12) month period. In no case will the

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total amount of non-FMLA Parental Leave – whether paid or unpaid – granted to an employee under this policy exceed twelve (12) weeks during the 12-month leave period.

- IPOPIF will maintain all benefits for employees during the parental leave period, subject to the employees' maintaining any required prepayments or direct billed payments (e.g., the employee-share of insurance premiums, etc.) just as if they were taking any other Fund paid leave such as paid vacation or paid sick leave.
- If a Fund-approved holiday occurs while the employee is on leave, the employee does not receive any holiday pay.
- An employee who takes parental leave will be afforded the same level of job protection and group health insurance benefits for the period of time that the employee is on parental leave as if the employee was on FMLA-qualifying leave.
- IPOPIF reserves the right to terminate an employee's employment due to a reduction in force or other business consideration that would have normally impacted the employee even if the employee had not been on a leave of absence.

**Request for Parental Leave:** The employee must notify their supervisor and Human Resources of the need for leave at least 30 days prior to the proposed date of the leave (or as soon as reasonably possible if the leave was not foreseeable) and provide Human Resources with appropriate and timely documentation. The employee must complete the necessary documentation as required by Human Resources to substantiate the request.

### 6.9 Jury Duty/Court Appearance

IPOPIF supports employees in their civic duty to serve on a jury. Employees must present any summons to jury duty to their supervisor as soon as possible after receiving the notice to allow advance planning for an employee's absence.

Employees will be paid for up to 2 weeks of jury duty service. Employees may use any accrued PTO if required to serve more than 2 weeks on a jury.

If an employee is released from jury duty after 4 hours or less of jury service, the employee must report to work for the remainder of that workday.

Time for appearance in court for personal business will be the individual employee's responsibility. PTO days will be used for this purpose.

### 6.10 Time Off for Voting

IPOPIF recognizes that voting is a right and privilege of being a citizen of the United States and encourages employees to exercise their right to vote. The General Election Day is a holiday for

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employees. An employee will likely have sufficient time outside working hours to vote on all other election days.

**6.11 Workers' Compensation**

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to any employee who is injured on the job or who become ill because of employment.

IPOPIF pays the entire cost of workers' compensation insurance. The insurance provides coverage for related medical and rehabilitation expenses and a portion of lost wages to an injured employee.

IPOPIF abides by all applicable state workers' compensation laws and regulations. If an employee sustains a job-related injury or illness, it is important to notify the Executive Director and Human Resources immediately. The Executive Director or Human Resources will complete an injury report with input from the employee and return the form to Human Resources. Human Resources will notify IPOPIF's worker's compensation carrier. In cases of medical emergencies, report to the nearest emergency room.

Workers' compensation benefits (paid or unpaid) will run concurrently with FMLA leave. In addition, employees will not be paid accrued PTO for approved absences covered by IPOPIF's workers' compensation program, except to supplement the workers' compensation benefits such as when the plan only covers a portion of the employees' salary as allowed by state law.

DRAFT - BOT REVIEW - SEP 13 2024

**IPOPIF EMPLOYEE HANDBOOK**

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND  
EMPLOYEE HANDBOOK ACKNOWLEDGMENT AND RECEIPT**

I hereby acknowledge receipt of the Employee Handbook of IPOPIF. I understand and agree that it is my responsibility to read and comply with the policies in the Handbook.

I understand that the Handbook and all other written and oral materials provided to me are intended for informational purposes only. The Handbook, IPOPIF practices, and other communications do not create an employment contract or term. I understand that the policies and benefits, both in the Handbook and those communicated to me in any other fashion, are subject to interpretation, review, removal, and change by management at any time without notice.

I further understand that I am an at-will employee and that neither this document nor any other communication shall bind IPOPIF to employ me now or hereafter and that my employment may be terminated by me or IPOPIF without reason at any time. I understand that no representative of IPOPIF has any authority to enter into any agreement for employment for any specified period of time or to assure any other personnel action or to assure any benefits or terms or conditions of employment or make any agreement contrary to the foregoing.

I also understand and agree that this Employee Handbook may only be modified in writing.

\_\_\_\_\_  
Employee's Name in Print

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date Signed by Employee

**TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE**



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RICK REIMER, GENERAL LEGAL COUNSEL

RE: RECORDS MANAGEMENT POLICY

DATE: SEPTEMBER 13, 2024

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**RECOMMENDATION:** Adopt the Records Management Policy (PP-2024-01)

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The Illinois Police Officers' Pension Investment Fund ("IPOPIF") is required to maintain an active, continuing program for the economical and efficient management of records. The State of Illinois Records Act (5 ILCS 160) sets forth guidelines and responsibilities for IPOPIF concerning the retention and disposition of records.

This Policy is designed to provide guidance to IPOPIF for the proper management of records (both paper and digital) to meet the requirements of the State Records Act and State Records Commission Rules.

This Records Management Policy establishes time frames for the retention and destruction of IPOPIF records in a manner compliant with binding statutes and regulations.

An up-to-date record retention schedule ensures that IPOPIF obsolete records are properly and timely destroyed and enables efficient responses to agency record requests.

This policy was drafted by General Legal Counsel Reimer with input from the Executive Team.

The Governance Committee reviewed the policy at their May 17, 2024, meeting and recommended adoption of the policy by the Board of Directors by a vote of 3-0, with one trustee absent, in favor.

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## IPOPIF POLICY AND PROCEDURE

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**POLICY NUMBER:** PP-2024-01

**SUBJECT:** RECORDS MANAGEMENT POLICY

**EFFECTIVE DATE:** SEPTEMBER 13, 2024

---

### INDEX:

SECTION A: INTRODUCTION

SECTION B: AUTHORITY AND PURPOSE

SECTION C: DEFINITIONS

SECTION D: RECORDS MANAGEMENT PROGRAM

SECTION E: ROLES AND RESPONSIBILITIES

SECTION F: IDENTIFICATION OF IPOPIF RECORDS

SECTION G: RECORDS RETENTION SCHEDULE

SECTION H: VIOLATIONS

SECTION H: POLICY REVIEW

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### A. INTRODUCTION

1. The Illinois Police Officers' Pension Investment Fund ("IPOPIF") is required to maintain an active, continuing program for the economical and efficient management of records. The State of Illinois Records Act (5 ILCS 160) sets forth guidelines and responsibilities for IPOPIF concerning the retention and disposition of records.



## IPOPIF POLICY AND PROCEDURE

2. This Policy is designed to provide guidance to IPOPIF for the proper management of records (both paper and digital) to meet the requirements of the State Records Act and State Records Commission Rules.

### **B. AUTHORITY AND PURPOSE**

- a. This Records Management Policy establishes timeframes for the retention and destruction of IPOPIF records in a manner compliant with binding statutes and regulations.
- b. An up-to-date record retention schedule ensures that IPOPIF obsolete records are properly and timely destroyed and enables efficient responses to agency record requests.
- c. This Policy applied to all Board members and employees.
- d. The retention requirements approved by the State Records Commission supersede any guidelines provided in IPOPIF policies.
- e. The objectives of the policy are to:
  - a. IPOPIF maintains its records for the necessary time period.
  - b. IPOPIF properly disposes of records once the retention period has passed.
  - c. IPOPIF staff is informed of the requisite retention periods for fund records.

### **C. DEFINITIONS**

The following are the definitions of the terms referenced in this Policy. Where possible, the definitions provided in the State Statute and Rules (5 ILCS 160 and Title 44 - Part 4400) are used:

#### **1. Application for Authority to Dispose of State Records/Retention Schedules:**

- The document lists the records in each office with corresponding retention, maintenance, and disposition requirements for a record series, based on administrative, fiscal, legal, or



## IPOPIF POLICY AND PROCEDURE

archival values for the scheduled records. A Retention Schedule is only valid and active upon approval by the State Records Commission.

### 2. **Born-Digital Records:**

- Records created in a digital format, as opposed to those created in other media and then converted to digital surrogates. Those include word processing documents, electronic spreadsheets, and digital photographs.

### 3. **Digital Surrogate:**

- Reproduction of content on analog media that has been scanned, photographed, encoded, or otherwise converted to a digital file that, when printed, viewed, or played, replicates the original content.

### 4. **Disposal of Records:**

- Is the destruction of the record in a secure manner? This will be the manner noted and approved on the Disposal Request.

### 5. **Electronic Record:**

- A record generated, communicated, received, or stored by electronic means. Both born-digital records and digital surrogates of analog records are considered electronic records. Databases or components of databases may or may not be considered records, depending upon their function and contents. Electronic records must be stored/retained using approved storage media, see Electronic Records section of this policy for additional information.

### 6. **Media Neutral:**

- Items that are included on a record retention schedule, regardless of their medium (i.e., paper, digital, etc.).

### 7. **Metadata:**

- Metadata describes the record attributes in a way that enables their management and use/reuse. They also document the relationship between records and the agents that made



## IPOPIF POLICY AND PROCEDURE

and use them and the events, or circumstances in which the records are made and used. Metadata supports searching of information assets and maintaining their authenticity.

### 8. **Non-Record Material:**

- Non-Records may be copies of IPOPIF records and materials used solely for reference purposes, transitory messages consisting of correspondence of materials created to communicate information of short-term value, and private/personal material not related to public business. Non-Records should be disposed of as soon as possible after their primary usefulness has expired. Unlike IPOPIF records, non-records do not require State approval prior to their disposal.

### 9. **Permanent:**

- To be retained forever.

### 10. **Records:**

- All books, papers, digitized electronic material, maps, photographs, databases, or other official documentary materials, regardless of physical form or characteristics, made, produced, executed, or received by IPOPIF in pursuance of state law or in connection with the transaction of public business and preserved for preservation by the IPOPIF as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the State or of the State Government, or because of the informational data contained therein. (5 ILCS 160/2).

### 11. **Records Disposal Certificate:**

- Also called the State of Illinois Records Disposal Certificate. IPOPIF must file the certificate with the State Records Commission prior to destruction of any records present on their approved Application for Authority to Dispose of State Records. This is the document that list the application number, item number, title, dates, volume, and disposal method of which they wish to request disposal authorization. IPOPIF must file the certificate with the State Records Commission thirty (30) days prior to the destruction of



## IPOPIF POLICY AND PROCEDURE

any records present on their approved Application for Authority to Dispose of State Records. IPOPIF may not dispose of records until the Certification has been approved and returned to IPOPIF and the thirty-day (30) waiting period has expired.

### 12. **Record Series:**

- A group of identical or related documents (either as to form or content) that is arranged under single filing system or kept together as a unit because they consist of the same form, relate to the same subject, result from the same activity, or have certain common physical characteristics (i.e., maps, blueprints, etc.). A series may contain both forms and correspondence.

### 13. **Research, Historical or Archival Value:**

- Records have enduring value when they reflect significant historical events or document the history and development of IPOPIF or its policy.

### 14. **Retention Period:**

- The retention period is found in the retention schedule and establishes the length of time required to maintain a record. The time frame for the retention of each record is determined by each office in cooperation with the State Records Commission. An important factor impacting the retention period and record storage location is how often the records are used. For example,

### 15. **Retention Schedules:**

- Lists of records of IPOPIF and their disposition. It identifies the time frames those records are to be kept before requesting their destruction or transfer to archives. Records not listed in the retention schedule will need to be added before they can be approved for destruction.

### 16. **Secure(d):**

- All documents (paper or electronic) that are stored in locked cabinets, spaces, or by a method to prevent unauthorized access (encryption).

### 17. **IPOPIF Archives:**



## IPOPIF POLICY AND PROCEDURE

- The location/managing office of permanent records preserved due to historical, administrative, legal, or enduring value as determined by the IPOPIF and the State Records Commission.

### D. RECORDS MANAGEMENT PROGRAM

1. The objective of the Records Management Program is to provide a cohesive approach to effectively manage records. This approach lends itself to close coordination with the IPOPIF Board and employees and helps protect IPOPIF records, reduce liability, preserve historical records, and improve efficiencies. This includes the effective scheduling, retention, retrieval, disposition, and safekeeping of all records. This specifically includes:
  - a. Maintenance and modification of the State approved Records Retention Schedule for IPOPIF, including working with the State Records Commission on new applications and reclassification of records.
  - b. Arrange for the orderly transfer of inactive records to the appropriate destination, including but not limited to, IPOPIF Archives or the State Records Center.
  - c. Aid in maintaining filing systems to assure efficient usage and prompt retrieval of records.
  - d. Aid the IPOPIF Board and employees in all matters relating to records management, filing systems, and electronic records.
  - e. Ensure compliance with the State Records Act and corresponding guidance from the State.



## **IPOPIF POLICY AND PROCEDURE**

### **E. ROLES AND RESPONSIBILITIES**

1. All IPOPIF employees shall secure, maintain, and dispose of records in accordance with the retention schedules as approved by the State Records Commission. If an IPOPIF employee knowingly, and without lawful justification, destroys or otherwise disposes of a record not in accordance with approved retention schedules, the employee will be subject to IPOPIF issued discipline, up to and including suspension or termination.
2. If an employee has questions or concerns about whether they have the authority to destroy or dispose of a record, the employee should contact the Executive Director.
3. Employees are required to maintain records, regardless of format, in an organized and secure manner. Employees need to be aware of records that contain sensitive information, such as personally identifiable information (PII), financial documentation, health records, and other types of confidential information protected by IPOPIF policy and federal/state confidentiality laws and requirements.
4. An employee will not destroy an IPOPIF record without obtaining an approved Records Disposal Certificate from Secretary of State's Office. If an employee is permitted to dispose of a record, the employee will ensure that the disposition is done in a manner consistent with the State Records Act and State Records Commission rules regarding proper physical destruction of sensitive records and information. (44 Ill. Adm. Code Part 4400.40)

### **F. IDENTIFICATION OF IPOPIF RECORDS**

1. Identifying IPOPIF records is the first step in developing and maintaining a records system. An IPOPIF record includes all the following:



## IPOPIF POLICY AND PROCEDURE

- a. Books, papers, digitized electronic material, maps, photographs, databases, emails, or other official documentary materials, regardless of physical form or characteristics;
  - b. Made, produced, executed, or received by IPOPIF in the pursuance of State law or in connection with the transaction of public business; and
  - c. Preserved or appropriate for preservation by that agency or its successor as evidence of the organization, function, policies, decisions, procedures, operations, or other activities of IPOPIF, or because of the informational data contained therein.
2. All IPOPIF records are scheduled for disposal through the Executive Director. The Executive Director will communicate with the State Records Commission, which will collaboratively determine the administrative, legal, fiscal, and historical value and appropriate retention of all records.
- a. Non-Record Material: Items not included within the definition of records, defined as "non-record materials," may be destroyed at any time by the department in possession of such material without the prior approval of the State Records Commission. The State Records Commission may, however, issue advisory procedures to guide in the disposition of non-record materials. (State Records Act Sec. 20, 42.23).
  - b. In accordance with the Freedom of Information Act (5 ILCS 140), all physical and electronic materials received or generated by IPOPIF which pertain to the transaction of public business are "public records" available for public inspection unless specifically exempted by law. However, only those "public records" which are also IPOPIF records must be managed according to the requirements put forth by the Illinois State Records Act. Although they may still be "public records" under the Illinois Freedom of Information Act, non-





## IPOPIF POLICY AND PROCEDURE

record materials are not subject to the management and disposal requirements of the State Records Act, and therefore, greater flexibility exists for their management in support of efficient business processes. Because most materials of IPOPIF may be non-record materials, efficient use of resources and compliance with State law necessitate a clear distinction between IPOPIF records and non-record materials.

- c. Non-record materials, as compared to records, do not require State approval prior to their disposal. Most non-record materials should be disposed of as soon as possible after their primary usefulness has expired. Whenever there is doubt that certain items are non-record materials, the items should be considered record materials until their status is determined. Please consult with the General Legal Counsel about whether an item is a record or non-record.

### 3. Electronic Records and IPOPIF Data

- a. An electronic record is a record generated, communicated, received, or stored by electronic means in various storage media. Both born-digital records and digital surrogates of analog records are considered electronic records. Databases or components of databases may or may not be considered records, depending upon their function and contents. IPOPIF retention schedules apply to all records based upon function and contents of the record, not its format (i.e., media neutral).
- b. The management of electronic records follows many of the same principles used to manage traditional records to ensure compliance with the State Records Commission but have additional considerations including but not limited to the preservation and creation of metadata, keeping backup copies, and choosing appropriate formats for long term storage. In addition, records/information that



## IPOPIF POLICY AND PROCEDURE

is maintained, used, or in the possession of IPOPIF may be a public record subject to FOIA even if it is not a State record under the State Records Act.

- c. All electronic records contain IPOPIF data. That data is classified according to the Information Security Policy, and/or state and federal regulations. All Board members, employees, and third-party agents are required to be aware of the data classification for which they have access to, or oversight of, and to apply appropriate and pre-determined safeguards and comply with all IPOPIF policy and/or state and federal regulations.

### 4. Digitizing Records

- a. Digitizing records is the process of creating a digital surrogate from an analog, or a paper record, for a variety of business reasons including ease of use, ease of access, efficiency, analytics, and retention. The integrity and authenticity of the analog records shall be preserved through the digitization process so that the images or surrogates will be authentic copies of the analog records. They must serve the purposes for which the original records were created or maintained, and the copies must contain all significant record detail needed for probable future reference. Analog records may be destroyed in favor of digital surrogates so long as the digital surrogates are produced in compliance with the State Records Commission Rules, found at 44 Ill. Admin. Code 4400.70 - Digital Reproduction.

5. For IPOPIF, the scanning of paper documents creates digital copies of the record, but these may not be considered digital surrogates unless created in compliance with Section 4400.70. Questions about whether a scanned document constitutes a digital surrogate should be directed to Information Technology.

### 6. Records for IPOPIF Archives



## IPOPIF POLICY AND PROCEDURE

- a. The retention schedules contain dispositions for some record series that require those records to be permanently housed in IPOPIF Archives for retention. IPOPIF Archives retains and makes these available for research, in accordance with legislation protecting the privacy of individuals, the non-current records of IPOPIF which have historical, legal, or intrinsic value that typically has a permanent retention period. Although most retention schedules will indicate record groups destined for the Archives, IPOPIF Archives can denote any additional records considered essential for permanent preservation.

### G. RECORD RETENTION SCHEDULE

Record Category	Retention Period
Actuarial Reports	Permanent
Administrative Rules	Permanent
Annual Reports	Permanent
Approved/Active Contracts	5 years
Article 3 Fund Reports	Permanent
Board Meeting Yearly Calendar	2 years
Board Meetings, agendas, materials, and minutes	Permanent
Digital Recording of Board Meetings	Permanent
Expired/ Declined Contracts	5 years
Investment Reports	Permanent
Invoices	5 years
IPOPIF Policies	Permanent
Monthly Financial Reports	Permanent
Other Governing Documents (Loans, Bylaws, etc.)	Permanent
Outside Services Records	5 years



## **IPOPIF POLICY AND PROCEDURE**

### **H. VIOLATIONS**

1. Persons in violation of this policy may be subject to a range of disciplinary action (determined and enforced by IPOPIF), including but not limited to the loss of computer network access privileges, disciplinary action, dismissal from IPOPIF, and legal action.
2. Issues where there is concern that negligence or non-compliance has occurred should be brought to the General Legal Counsel.
3. When an employee knowingly, and without lawful authority, alters, destroys, defaces, removes, or cancels an IPOPIF record may be referred to external authorities and may result in further proceedings.

### **I. POLICY REVIEW**

1. The Policy is subject to change in the exercise of the Board's judgement.
2. The Board of Trustees will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.
3. In the event of legislative changes to the pertinent sections addressed in this policy the Board will review the policy as appropriate.
4. This policy was adopted by the Board on September 13, 2024.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOP BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: GOVERNMENTAL LIAISON REPORT  
DATE: SEPTEMBER 13, 2024

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**RECOMMENDATION:** Receive the report.

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### **Legislative Activity Report**

Governmental Liaison Bukola Bello will present the legislative activity report to the Board of Trustees during this meeting.



**Illinois Police Officers'  
Pension Investment Fund**

# **Administration & Operations Update**

**Richard White,  
Executive Director**

**IPOPIF Board Meeting  
Friday, September 13, 2024**



# Illinois Police Officers' Pension Investment Fund

## Article 3 Police Pension Funds

Monthly investment reports through **JULY 2024** for each of the Article 3 funds have been posted to the Website.

Reports continue to be available to Funds via on-line portal.

## Newsletter

Newsletters Published and Distributed:

..... July 31, 2024

..... August 31, 2024

## Public Meetings and Presentations

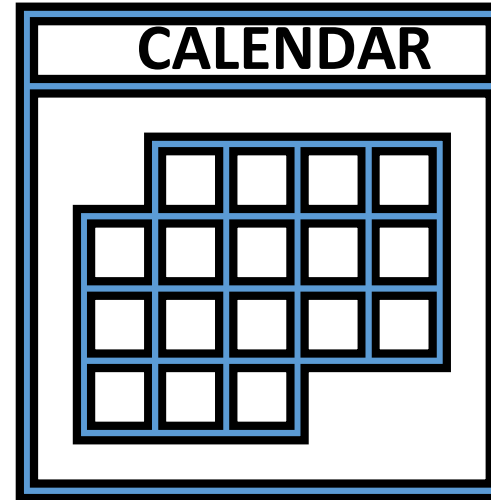
IML Annual Conference session with Chairperson Sues and IFPIF in Chicago on **September 20, 2024**.

IPPFA Mid-America Pension Conference in Lincolnshire on **September 25, 2024**.

Regional Stakeholder Meeting in Rockford on **October 23, 2024**



**Illinois Police Officers'  
Pension Investment Fund**



**Committee Meetings:**

**Friday**

**October 18, 2024**

**~ 1:00 PM**

**Pere Marquette Hotel**

**Board of Trustees:**

**Friday**

**October 18, 2024**

**9:00 AM**

**Pere Marquette Hotel**





**Illinois Police Officers'  
Pension Investment Fund**

# **Administration & Operations Update**

**Richard White,  
Executive Director**

**IPOPIF Board Meeting  
Friday, September 13, 2024**



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

TO: Board of Trustees

FROM: Richard White, Executive Director  
Regina Tuczak, Chief Financial Officer

RE: Agenda Item 7.1 – Monthly Financial Statements – May, June and July 2024

DATE: September 13, 2024

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**RECOMMENDATION:** Approve the Monthly financial statements for May, June and July 2024.

---

A few matters to note with respect to the monthly financial statements for May, June and July:

- 1) Participant fund activity for cash continues to increase. Cash flows were negative for the month of May, and positive for the months of June and July. See chart below for further detail.

May Contributions \$42,237,718	June Contributions \$65,964,203	July Contributions \$67,949,863
May Withdrawals \$49,648,149	June Withdrawals \$46,303,103	July Withdrawals \$45,815,796
Net Cash May (\$7,410,431)	Net Cash June \$19,661,100	Net Cash July \$22,134,067
Number of Transactions 365	Number of Transactions 355	Number of Transactions 425

- 2) The Deductions report for the month of May indicates a negative balance for Legal Services – Fiduciary with an amount of (\$27,887). The negative balance is due to receipt of reimbursement of \$33,254.80 from the fiduciary insurance carrier pertaining to litigation with respect to Public Act 101-0610. A subsequent reimbursement of \$5,612 was also received in June 2024.
- 3) The monthly financial statements are typically prepared on the modified cash basis of accounting. The June Monthly Financials for 2024 include all known year-end adjustments, including accruals, investment receivables, and accounting for GASB 68, *Accounting and Financial Reporting for Pensions*, with respect to the Fund's participation in IMRF. At this time, no other adjustments to the June 30, 2024, financial statements are expected.
- 4) The expenses in the July Monthly Financials sum to \$214,312, which is a lower level of expenses as compared to prior months. Many of the expenses paid in the month of July



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

pertained to Fiscal Year 2024, were accrued as of June 30, 2024, and are thus properly excluded from the July expenses.

- 5) The July Monthly Financials include the new presentation of Investment Manager fees. There were no investment manager fees paid directly from the IPOPIF investment assets in the month of July, as the respective managers bill the IPOPIF on a quarterly basis. It is anticipated that consistent with these quarterly billing practices, a quarterly supplement will be added to the Monthly Financials that will detail all Investment Manager Fees paid, including those billed directly to the IPOPIF and those that are withdrawn directly from the investment product by the respective investment manager.

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE ELEVEN MONTHS ENDED MAY 31, 2024

MODIFIED CASH BASIS

PREPARED BY: THE STAFF OF THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

**Illinois Police Officers' Pension Investment Fund**  
**Statement of Fiduciary Net Position**  
**As of May 31, 2024, and 2023**

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
<b>Assets</b>		
<b>Cash</b>		
Lake Forest Bank & Trust	\$ 144,573	\$ 111,569
<b>Total Cash</b>	<b>144,573</b>	<b>111,569</b>
 <b>Investments</b>		
Investments	10,411,059,430	9,068,885,897
<b>Total Investments</b>	<b>10,411,059,430</b>	<b>9,068,885,897</b>
 <b>Other Assets</b>		
Net IMRF Pension Asset	7,426	-
<b>Total Other Assets</b>	<b>7,426</b>	<b>-</b>
<b>Total Assets</b>	<b>10,411,211,429</b>	<b>9,068,997,466</b>
 <b>Deferred Outflows of Resources</b>		
Deferred outflows related to IMRF Pension	80,309	-
 <b>Liabilities</b>		
<b>Accrued Expenses</b>		
Payroll & Related	142,534	99,300
Professional	7,240	-
General	-	28,533
<b>Total Accrued Expenses</b>	<b>149,774</b>	<b>127,833</b>
<b>Total Liabilities</b>	<b>149,774</b>	<b>127,833</b>
<b>Net Position Restricted</b>	<b>10,411,141,964</b>	<b>9,068,869,633</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Eleven Months Ended May 31, 2024, and 2023**

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	476,180,328	395,233,146
Investments Received from Local Funds	13,100,419	5,725,925,760
<b>Total Proceeds</b>	<b>489,280,747</b>	<b>6,121,158,906</b>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	553	7,873
Interest	55,690,094	55,801,517
Net appreciation (depreciation) in fair value of investments	948,072,891	295,687,267
<b>Net Investment Income (Loss)</b>	<b>1,003,763,538</b>	<b>351,496,657</b>
<b>Total Additions</b>	<b>1,493,044,285</b>	<b>6,472,655,563</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(79,559)	(37,857)
Administrative Operations	(1,542,565)	(2,045,246)
Investment Operations	(2,212,984)	(2,493,569)
<b>Total Administrative Expenses</b>	<b>(3,835,108)</b>	<b>(4,576,672)</b>
<b>Participating Fund Withdrawals</b>	<b>(464,663,233)</b>	<b>(133,957,692)</b>
<b>Total Deductions</b>	<b>(468,498,341)</b>	<b>(138,534,364)</b>
<b>Net Increase (Decrease)</b>	<b>1,024,545,944</b>	<b>6,334,121,199</b>
<b>Net Position Restricted</b>		
<b>Beginning of the Year</b>	9,386,596,020	2,734,748,434
<b>End of the Period</b>	<b>10,411,141,964</b>	<b>9,068,869,633</b>

## Illinois Police Officers' Pension Investment Fund

### Additions Report for the Eleven Months Ended May 31, 2024

	<u>Received this Month</u>	<u>Budgeted this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	42,237,718	-	476,180,328	-
Investments Received from Local Funds	-	-	13,100,419	-
	<u>42,237,718</u>	<u>-</u>	<u>489,280,747</u>	<u>-</u>
<u>Investment Income (Loss)</u>				
Interest & Dividends	6,731,422	-	55,690,647	-
Net appreciation (depreciation)	279,936,286	-	948,072,891	-
	<u>286,667,708</u>	<u>-</u>	<u>1,003,763,538</u>	<u>-</u>
<b>Total Additions</b>	<b>328,905,426</b>	<b>-</b>	<b>1,493,044,285</b>	<b>-</b>

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the Eleven Months Ended May 31, 2024

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Administrative Services</i>	-	267	3,200	3,200
<i>Election Services</i>	-	2,518	23,850	30,216
Education and Training	1,550	1,500	7,749	18,000
Meeting Expenses	3,524	3,792	36,268	45,500
Board Member Reimbursements	1,158	1,296	8,492	15,555
Municipal Reimbursements	-	871	-	10,457
	<u>6,232</u>	<u>10,244</u>	<u>79,559</u>	<u>122,928</u>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	64,020	66,665	681,540	799,975
Employment Expenses				
<i>FICA/Medicare</i>	4,887	4,519	45,141	54,233
<i>Medical/Dental Benefits</i>	7,979	9,340	97,851	112,075
<i>Unemployment</i>	-	100	1,085	1,200
<i>Retirement Benefits</i>	3,848	3,923	37,411	47,077
	<u>80,734</u>	<u>84,547</u>	<u>863,028</u>	<u>1,014,560</u>
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	-	1,866	17,431	22,394
<i>Audit - Financial</i>	-	4,792	57,500	57,500
<i>Agreed Upon Procedures - Article 3</i>	-	7,000	-	84,000
Government Liaison	5,700	5,700	62,700	68,400
Actuarial Services	-	15,738	129,500	188,855
Outsourced Human Resources	-	833	6,275	10,000
Legal Services				
<i>Legal Services - General</i>	6,596	5,000	20,895	60,000
<i>Legal Services - Fiduciary</i>	(27,887)	10,083	38,710	121,000
Technology Services	-	500	3,607	6,000
Other Consulting Services	-	3,167	25,398	37,998
Communication Services	1,500	1,500	16,500	18,000
	<u>(14,091)</u>	<u>56,179</u>	<u>378,516</u>	<u>674,147</u>



## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the Eleven Months Ended May 31, 2024

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<u>Bank Services and Fees</u>				
Local Bank Fees	118	208	2,141	2,500
	<b>118</b>	<b>208</b>	<b>2,141</b>	<b>2,500</b>
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	4,167	43,023	50,000
Insurance	-	8,909	106,386	106,906
Office Lease/Rent	5,375	5,375	59,125	64,500
Printing & Postage	-	1,667	14,364	20,000
Supplies & Maintenance	688	833	6,793	10,000
Telecommunication	1,323	1,250	14,326	15,000
Contingency	2	1,000	(4)	12,000
Dues / Licenses	1,989	6,549	35,363	78,586
Training & Education	-	500	1,470	6,000
Travel & Transportation	-	833	5,620	10,000
Utilities	-	583	(835)	7,000
Website	200	1,667	13,249	20,000
	<b>9,577</b>	<b>33,333</b>	<b>298,880</b>	<b>399,992</b>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	53,542	58,917	593,163	706,998
Employment Expenses				
<i>FICA/Medicare</i>	3,964	3,514	34,871	42,163
<i>Medical/Dental Benefits</i>	5,126	5,379	55,764	64,552
<i>Unemployment</i>	-	53	525	640
<i>Retirement Benefits</i>	3,218	3,627	37,019	43,529
	<b>65,850</b>	<b>71,490</b>	<b>721,342</b>	<b>857,882</b>
<u>Investment &amp; Banking</u>				
General Investment Consultant	106,875	35,625	320,625	427,500
Database Subscription(s)	-	3,181	38,172	38,172
Investment Management	226,788	188,333	891,701	2,260,000
Custodial Services	-	38,333	241,144	460,000
	<b>333,663</b>	<b>265,472</b>	<b>1,491,642</b>	<b>3,185,672</b>
<b>Total Expenditures</b>	<b>482,083</b>	<b>521,473</b>	<b>3,835,108</b>	<b>6,257,681</b>
<b>Participating Fund Withdrawals</b>	<b>49,648,149</b>		<b>464,663,233</b>	
<b>Total Deductions</b>	<b>50,130,232</b>		<b>468,498,341</b>	

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDED JUNE 30, 2024

MODIFIED CASH BASIS

PREPARED BY: THE STAFF OF THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

**Illinois Police Officers' Pension Investment Fund**  
**Statement of Fiduciary Net Position**  
**As of June 30, 2024, and 2023**

June 30, 2024June 30, 2023

<b>Assets</b>			
<b>Cash</b>			
Lake Forest Bank & Trust	\$	116,689	\$ 105,553
<b>Total Cash</b>		<b>116,689</b>	<b>105,553</b>
<b>Receivables and Prepaid Expenses</b>			
Accrued Investment Income		3,202,218	3,759,564
Receivable from Brokers for Pending Sales		543,544	-
<b>Total Receivables and Prepaid Expenses</b>		<b>3,745,762</b>	<b>3,759,564</b>
<b>Investments</b>			
Investments		10,535,326,061	9,383,664,462
<b>Total Investments</b>		<b>10,535,326,061</b>	<b>9,383,664,462</b>
<b>Other Assets</b>			
Net IMRF Pension Asset		-	7,426
<b>Total Other Assets</b>		<b>-</b>	<b>7,426</b>
<b>Total Assets</b>		<b>10,539,188,512</b>	<b>9,387,537,005</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to IMRF Pension		801,936	80,309
<b>Liabilities</b>			
<b>Accrued Expenses</b>			
Payroll & Related		252,267	205,242
Professional		1,324,251	774,686
Administrative		10,736	22,538
Computer & Equipment		-	7,216
General		4,381	11,612
<b>Total Accrued Expenses</b>		<b>1,591,635</b>	<b>1,021,294</b>
<b>Other Liabilities</b>			
Net IMRF Pension Liability		801,012	-
<b>Total Other Liabilities</b>		<b>801,012</b>	<b>-</b>
<b>Total Liabilities</b>		<b>2,392,647</b>	<b>1,021,294</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to IMRF Pension		7,625	-
<b>Net Position Restricted</b>		<b>10,537,590,176</b>	<b>9,386,596,020</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Twelve Months Ended June 30, 2024, and 2023**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	542,144,531	456,489,074
Investments Received from Local Funds	13,100,419	5,725,925,760
<b>Total Proceeds</b>	<b>555,244,950</b>	<b>6,182,414,834</b>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	587	7,920
Interest	61,781,616	62,022,901
Net appreciation (depreciation) in fair value of investments	1,050,834,307	579,855,103
<b>Net Investment Income (Loss)</b>	<b>1,112,616,510</b>	<b>641,885,924</b>
<b>Total Additions</b>	<b>1,667,861,460</b>	<b>6,824,300,758</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(88,684)	(75,150)
Administrative Operations	(1,941,575)	(2,366,515)
Investment Operations	(3,870,709)	(3,650,193)
<b>Total Administrative Expenses</b>	<b>(5,900,968)</b>	<b>(6,091,858)</b>
<b>Participating Fund Withdrawals</b>	<b>(510,966,336)</b>	<b>(166,361,315)</b>
<b>Total Deductions</b>	<b>(516,867,304)</b>	<b>(172,453,173)</b>
<b>Net Increase (Decrease)</b>	<b>1,150,994,156</b>	<b>6,651,847,585</b>
<b>Net Position Restricted</b>		
<b>Beginning of the Year</b>	9,386,596,020	2,734,748,435
<b>End of the Period</b>	<b>10,537,590,176</b>	<b>9,386,596,020</b>

## Illinois Police Officers' Pension Investment Fund

### Additions Report for the Twelve Months Ended June 30, 2024

	<u>Received this Month</u>	<u>Budgeted this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	65,964,203	-	542,144,531	-
Investments Received from Local Funds	-	-	13,100,419	-
	<b>65,964,203</b>	-	<b>555,244,950</b>	-
<u>Investment Income (Loss)</u>				
Interest & Dividends	6,091,556	-	61,782,203	-
Net appreciation (depreciation)	102,761,416	-	1,050,834,307	-
	<b>108,852,972</b>	-	<b>1,112,616,510</b>	-
<b>Total Additions</b>	<b>174,817,175</b>	-	<b>1,667,861,460</b>	-

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the Twelve Months Ended June 30, 2024

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Administrative Services</i>	-	267	3,200	3,200
<i>Election Services</i>	-	2,518	23,850	30,216
Education and Training	2,471	1,500	10,220	18,000
Meeting Expenses	4,915	3,792	41,183	45,500
Board Member Reimbursements	1,738	1,296	10,231	15,555
Municipal Reimbursements	-	871	-	10,457
	<u>9,124</u>	<u>10,244</u>	<u>88,684</u>	<u>122,928</u>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	113,422	66,665	794,962	799,975
Employment Expenses				
<i>FICA/Medicare</i>	7,371	4,519	52,511	54,233
<i>Medical/Dental Benefits</i>	7,949	9,340	105,800	112,075
<i>Unemployment</i>	-	100	1,085	1,200
<i>Retirement Benefits</i>	9,066	3,923	46,477	47,077
<i>IMRF Pension Expense</i>	94,436	-	94,436	-
	<u>232,244</u>	<u>84,547</u>	<u>1,095,271</u>	<u>1,014,560</u>
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	3,819	1,866	21,250	22,394
<i>Audit - Financial</i>	-	4,792	57,500	57,500
<i>Agreed Upon Procedures - Article 3</i>	-	7,000	-	84,000
Government Liaison	5,700	5,700	68,400	68,400
Actuarial Services	58,710	15,738	188,210	188,855
Outsourced Human Resources	7,116	833	13,391	10,000
Legal Services				
<i>Legal Services - General</i>	10,400	5,000	31,294	60,000
<i>Legal Services - Fiduciary</i>	15,594	10,083	54,304	121,000
Technology Services	-	500	3,607	6,000
Other Consulting Services	-	3,167	25,398	37,998
Communication Services	1,500	1,500	18,000	18,000
	<u>102,839</u>	<u>56,179</u>	<u>481,354</u>	<u>674,147</u>
<u>Bank Services and Fees</u>				
Local Bank Fees	101	208	2,242	2,500
	<u>101</u>	<u>208</u>	<u>2,242</u>	<u>2,500</u>

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the Twelve Months Ended June 30, 2024

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Administrative Operations (continued)</b>				
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	4,167	43,023	50,000
Insurance	-	8,909	106,386	106,906
Office Lease/Rent	5,375	5,375	64,500	64,500
Printing & Postage	3,868	1,667	18,231	20,000
Supplies & Maintenance	983	833	7,775	10,000
Telecommunication	1,637	1,250	15,963	15,000
Contingency	(4)	1,000	(2)	12,000
Dues / Licenses	39,435	6,549	74,798	78,586
Training & Education	3,833	500	5,303	6,000
Travel & Transportation	2,393	833	8,013	10,000
Utilities	5,704	583	4,869	7,000
Website	600	1,667	13,849	20,000
	<u>63,824</u>	<u>33,333</u>	<u>362,708</u>	<u>399,992</u>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	100,431	58,917	693,593	706,998
Employment Expenses				
<i>FICA/Medicare</i>	5,786	3,514	40,657	42,163
<i>Medical/Dental Benefits</i>	5,096	5,379	60,859	64,552
<i>Unemployment</i>	-	53	525	640
<i>Retirement Benefits</i>	7,561	3,627	44,581	43,529
	<u>118,874</u>	<u>71,490</u>	<u>840,215</u>	<u>857,882</u>
<u>Investment &amp; Banking</u>				
General Investment Consultant	106,875	35,625	427,500	427,500
Database Subscription(s)	-	3,181	38,172	38,172
Investment Management	1,251,462	188,333	2,143,162	2,260,000
Custodial Services	180,516	38,333	421,660	460,000
	<u>1,538,853</u>	<u>265,472</u>	<u>3,030,494</u>	<u>3,185,672</u>
<b>Total Expenditures</b>	<b>2,065,859</b>	<b>521,473</b>	<b>5,900,968</b>	<b>6,257,681</b>
<b>Participating Fund Withdrawals</b>	<b>46,303,103</b>		<b>510,966,336</b>	
<b>Total Deductions</b>	<b>48,368,962</b>		<b>516,867,304</b>	

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE ONE MONTH ENDED JULY 31, 2024

MODIFIED CASH BASIS

PREPARED BY: THE STAFF OF THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



**Illinois Police Officers' Pension Investment Fund**  
**Statement of Fiduciary Net Position**  
**As of July 31, 2024, and 2023**

July 31, 2024July 31, 2023

<b>Assets</b>		
<b>Cash</b>		
Lake Forest Bank & Trust	\$ 108,797	\$ 113,541
<b>Total Cash</b>	<b>108,797</b>	<b>113,541</b>
<b>Investments</b>		
Investments	10,810,776,376	9,641,962,786
<b>Total Investments</b>	<b>10,810,776,376</b>	<b>9,641,962,786</b>
<b>Other Assets</b>		
Net IMRF Pension Asset	-	7,426
<b>Total Other Assets</b>	<b>-</b>	<b>7,426</b>
<b>Total Assets</b>	<b>10,810,885,173</b>	<b>9,642,083,753</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to IMRF Pension	801,936	80,309
<b>Liabilities</b>		
<b>Accrued Expenses</b>		
Payroll & Related	178,408	142,924
Professional	1,280,543	570,207
Administrative	6,352	12,939
Computer & Equipment	-	7,216
General	102	6,214
<b>Total Accrued Expenses</b>	<b>1,465,405</b>	<b>739,500</b>
<b>Other Liabilities</b>		
Net IMRF Pension Liability	801,012	-
<b>Total Other Liabilities</b>	<b>801,012</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,266,417</b>	<b>739,500</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to IMRF Pension	7,625	-
<b>Net Position Restricted</b>		
	<b>10,809,413,067</b>	<b>9,641,424,562</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the One Month Ended July 31, 2024, and 2023**

	<u>July 31, 2024</u>	<u>July 31, 2023</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	67,949,863	48,514,992
<b>Total Proceeds</b>	<u>67,949,863</u>	<u>48,514,992</u>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	40	51
Interest	3,927,424	4,127,102
Net appreciation (depreciation) in fair value of investments	245,975,681	237,663,709
<b>Investment Income (Loss)</b>	<u>249,903,145</u>	<u>241,790,862</u>
Less: Investment Management Fees Paid from the Fund	-	-
<b>Investment Income (Loss) net of Management Fees</b>	<u>249,903,145</u>	<u>241,790,862</u>
<b>Total Additions</b>	<b>317,853,008</b>	<b>290,305,854</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(480)	-
Administrative Operations	(164,984)	(151,799)
Investment Operations	(48,857)	(28,142)
<b>Total Administrative Expenses</b>	<u>(214,321)</u>	<u>(179,941)</u>
<b>Participating Fund Withdrawals</b>	<b>(45,815,796)</b>	<b>(35,297,371)</b>
<b>Total Deductions</b>	<b>(46,030,117)</b>	<b>(35,477,312)</b>
<b>Net Increase (Decrease)</b>	<b>271,822,891</b>	<b>254,828,542</b>
<b>Net Position Restricted</b>		
<b>Beginning of the Year</b>	10,537,590,176	9,386,596,020
<b>End of the Period</b>	<b>10,809,413,067</b>	<b>9,641,424,562</b>

## Illinois Police Officers' Pension Investment Fund

### Additions Report for the One Month Ended July 31, 2024

	<u>Received</u> <u>this Month</u>	<u>Budgeted</u> <u>this Month</u>	<u>Received this</u> <u>Fiscal Year</u>	<u>Budgeted this</u> <u>Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	67,949,863	-	67,949,863	-
	<b>67,949,863</b>	-	<b>67,949,863</b>	-
<u>Investment Income (Loss)</u>				
Interest & Dividends	3,927,464	-	3,927,464	-
Net appreciation (depreciation)	245,975,681	-	245,975,681	-
Investment Management Fees Paid from the Fund	-	-	-	-
	<b>249,903,145</b>	-	<b>249,903,145</b>	-
<b>Total Additions</b>	<b>317,853,008</b>		<b>317,853,008</b>	

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the One Month Ended July 31, 2024

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Election Services</i>	-	1,742	-	20,900
Education and Training	-	1,500	-	18,000
Meeting Expenses	480	3,796	480	45,550
Board Member Reimbursements	-	1,473	-	17,675
Municipal Reimbursements	-	992	-	11,900
	<u>480</u>	<u>9,503</u>	<u>480</u>	<u>114,025</u>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	32,675	76,857	32,675	922,280
Employment Expenses				
<i>FICA/Medicare</i>	2,494	5,339	2,494	64,064
<i>Medical/Dental Benefits</i>	7,919	12,088	7,919	145,058
<i>Unemployment</i>	-	103	-	1,241
<i>Retirement Benefits</i>	5	7,049	5	84,593
	<u>43,093</u>	<u>101,436</u>	<u>43,093</u>	<u>1,217,236</u>
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	-	1,667	-	20,000
<i>Audit - Financial</i>	-	4,983	-	59,800
<i>Audit - Certified Asset List</i>	-	3,738	-	44,850
<i>Agreed Upon Procedures - Article 3</i>	-	28,481	-	341,775
Government Liaison	5,700	5,700	5,700	68,400
Actuarial Services	-	16,184	-	194,210
Outsourced Human Resources	-	1,042	-	12,500
Legal Services				
<i>Legal Services - General</i>	-	4,167	-	50,000
<i>Legal Services - Fiduciary</i>	-	10,417	-	125,000
Technology Services	-	500	-	6,000
Communication Services	1,500	1,500	1,500	18,000
	<u>7,200</u>	<u>78,379</u>	<u>7,200</u>	<u>940,535</u>

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the One Month Ended July 31, 2024

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<u>Bank Services and Fees</u>				
Local Bank Fees	114	208	114	2,500
	<u>114</u>	<u>208</u>	<u>114</u>	<u>2,500</u>
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	833	-	10,000
Insurance	108,079	10,965	108,079	131,578
Office Lease/Rent	5,375	5,375	5,375	64,500
Printing & Postage	-	2,638	-	31,650
Supplies & Maintenance	-	833	-	10,000
Telecommunication	1,010	1,458	1,010	17,500
Contingency	2	1,000	2	12,000
Dues / Licenses	111	6,788	111	81,450
Training & Education	-	500	-	6,000
Travel & Transportation	-	2,292	-	27,500
Utilities	-	583	-	7,000
Website	-	1,250	-	15,000
	<u>114,577</u>	<u>34,515</u>	<u>114,577</u>	<u>414,178</u>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	36,962	91,258	36,962	1,095,090
Employment Expenses				
<i>FICA/Medicare</i>	1,927	5,568	1,927	66,811
<i>Medical/Dental Benefits</i>	9,887	9,469	9,887	113,628
<i>Unemployment</i>	81	66	81	790
<i>Retirement Benefits</i>	-	8,778	-	105,333
	<u>48,857</u>	<u>115,139</u>	<u>48,857</u>	<u>1,381,652</u>
<u>Investment &amp; Banking</u>				
General Investment Consultant	-	35,625	-	427,500
Database Subscription	-	6,420	-	77,040
Custodial Services	-	43,488	-	521,850
	<u>-</u>	<u>85,533</u>	<u>-</u>	<u>1,026,390</u>
<b>Total Expenditures</b>	<b>214,321</b>	<b>424,713</b>	<b>214,321</b>	<b>5,096,516</b>
<b>Participating Fund Withdrawals</b>	<b>45,815,796</b>		<b>45,815,796</b>	
<b>Total Deductions</b>	<b>46,030,117</b>		<b>46,030,117</b>	

## Warrant #25-01 Paid 7-1-2024



## Expenses for Ratification - August 23, 2024 Board Meeting

### BOARD OF TRUSTEES and MEETINGS

#### Meeting Expenses

	Samantha Lambert	
6/5/2024	Out of pocket reimbursement for catering for Committee Meetings lunch, May 17, 2024	\$59.35
	Sound & Light Creations by Scott Fort	
6/26/2024	Sound system with table top microphones, video screen, and projector for Board Meeting, June 14, 2024, Invoice #6152401	\$1,287.00
	Bridges Catering	
6/18/2024	Catering for Regional Stakeholder Meeting in Rock Island, July 10, 2024, Invoice #E18565	\$480.00
	Richard White	
6/25/2024	Out of pocket reimbursement for the Pere Marquette meeting room, breakfast and lunch for Board Meeting, June 14, 2024	\$2,039.34
	<b>Total Board of Trustees and Meetings Meeting Expense</b>	<b>\$3,865.69</b>

#### Board Member Reimbursements

	Daniel Hopkins	
6/14/2024	Out of pocket reimbursement for hotel, travel, and meal for June 14, 2024, Board Meeting	\$342.05
	Michael Inman	
6/1/2024	Out of pocket reimbursement for travel for May 17, 2024, Committee Meetings	\$102.15
	Philip Suess	
6/24/2024	Out of pocket reimbursement for travel for June 14, 2024, Board Meeting	\$449.13
	<b>Total Board of Trustees and Meetings Board Member Reimbursements</b>	<b>\$893.33</b>

**TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES** **\$4,759.02**

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### Accounting

	Lauterbach & Amen, LLP	
6/20/2024	Accounting Support Services for May 2024, Invoice #92405	\$1,012.50

#### Professional Services - Government Liaison

	Vision M.A.I. Consulting	
7/1/2024	Professional services rendered for July 2024, Invoice #6	\$5,700.00

## Warrant #25-01 Paid 7-1-2024



## Expenses for Ratification - August 23, 2024 Board Meeting

### Professional Services - Human Resources

	Lauterbach & Amen, LLP	
6/14/2024	Professional services rendered for May 2024, Invoice #92229	\$1,750.00

### **ADMINISTRATIVE OPERATIONS (continued)**

#### **Fiduciary & Litigation**

	Jacobs Burns Orlove & Hernandez LLP	
6/12/2024	Legal services rendered in May 2024 regarding general and investment matters, Invoice #662	\$5,764.50

### Professional Services - Communication

	Shepherd Communications	
6/26/2024	Professional Service Fee for July 2024	\$1,500.00

<b>Total Administrative Operations Professional Services Expenses</b>	<b>\$15,727.00</b>
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### Services and Supplies

#### **Insurance**

	Cook Castle Associates LLC	
5/18/2024	Insurance policy renewal for Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability, and Cyber Risk for Fiscal Year 2025, Invoice #3168	\$101,538.00

	CHUBB	
6/26/2024	Insurance policy renewal for Business Owners and Workers Compensation for Fiscal Year 2025	\$6,541.00

<b>Total Services and Supplies, Insurance</b>	<b>\$108,079.00</b>
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#### **Office Lease**

	City of Peoria	
6/30/2024	Rent for July 2024, Invoice 53596	\$5,375.00

#### **Printing & Postage**

	Samantha Lambert	
6/5/2024	Out of pocket reimbursement for postage for overnight mailing of documents to Board of Trustee member, April 2024	\$36.10

6/7/2024	Out of pocket reimbursement for postage for overnight mailing of documents to Board of Trustee member, June 2024	\$36.10
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6/18/2024	Out of pocket reimbursement for postage stamps, 100 roll, qty 3	\$204.00
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	ODP Business Solutions, LLC	
6/12/2024	Postage Stamps, 100 roll, and stamp fee, qty 5; Invoice #371953742001	\$365.00

## Warrant #25-01 Paid 7-1-2024



## Expenses for Ratification - August 23, 2024 Board Meeting

### Services and Supplies (continued)

#### Printing & Postage (continued)

	TaMaYo Design, Inc.	
6/6/2024	First billing of Transition Report graphic design work, Invoice #IPOPIF004 photography	\$1,600.00
	<b>Total Services and Supplies, Printing &amp; Postage</b>	<b>\$2,241.20</b>

#### Supplies & Maintenance

	The Cleaning Source	
6/27/2024	Weekly cleaning service for June 2024, Invoice #IP0624	\$193.00
	ODP Business Solutions, LLC	
6/6/2024	Office supplies, Legal Sized Hanging Folders, 25 pk, qty 2; 10-Ream Case Copy Paper, qty 2; Rubberbands, 50 pack, qty 2; Invoice #368304122001	\$138.86
6/11/2024	Office supplies, Letter Sized Hanging Folders, 25 pk, qty 2; 8.5x11 Paper Pads, 12 pack; 5x8 Paper Pad, 12 pack; Invoice #368614112001	\$55.25
6/12/2024	Office supplies, Envelopes, 500 box; Invoice #371953742001	\$26.38
6/13/2024	Office supplies, Roll of 250 address labels, qty 3, Invoice #371952808001	\$41.31
6/19/2024	Office supplies, Business Cards, 100 count, Invoice #371335912001	\$59.99
	<b>Total Services and Supplies, Supplies &amp; Maintenance</b>	<b>\$514.79</b>

#### Telecommunications

	AmeriCALL	
6/4/2024	Monthly telephone charges, billing period 7/4/24 to 8/3/24, Invoice #332651	\$313.42
	Comcast	
6/12/2024	Monthly data, voice secure packaged services, 6/16/24 - 7/15/24	\$252.14
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$565.56</b>

#### Dues & Licenses

	ADP, Inc.	
5/3/2024	Processing charges for period ending April 15, 2024, Debit #660349807	\$99.53
5/10/2024	Processing charges for CA state fee for month of April 2024, Debit #660831380	\$8.95
5/17/2024	Processing charges for period ending April 30, 2024, Debit #661244488	\$99.53
5/31/2024	Processing charges for period ending May 15, 2024, Debit #662411197	\$99.53
6/14/2024	Processing charges and CA state fee for period ending May 31, 2024, Debit #663398786	\$108.48
6/28/2024	Processing charges for period ending June 15, 2024, Debit #664699836	\$99.53



## Warrant #25-01 Paid 7-1-2024



## Expenses for Ratification - August 23, 2024 Board Meeting

### **Services and Supplies**

#### **Dues & Licenses (continued)**

	Central Illinois Security	
6/4/2024	Annual license for HID Mobile ID Virtual Card, Invoice 207808	\$100.00
	Levi, Ray & Shoup, Inc.	
6/6/2024	LRS Axcient CloudFinder for Office 365 backup, 25 licenses, May 2024, Invoice #321609	\$125.00
	Thomson Reuters	
6/14/2024	NetStaff CS Web Services fees and Manual processing, May 2024, Invoice #WS11379434	\$466.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$1,206.55</b>

#### **Travel & Transportation**

	Katherine Cobb	
6/5/2024	Out of pocket reimbursement for parking fees, June 2024	\$81.00
	Samantha Lambert	
6/5/2024	Out of pocket reimbursement for parking fees, April 2024	\$81.00
6/5/2024	Out of pocket reimbursement for parking fees, May 2024	\$81.00
6/5/2024	Out of pocket reimbursement for parking fees, June 2024	\$81.00
	<b>Total Services and Supplies, Travel &amp; Transportation</b>	<b>\$324.00</b>

#### **Website**

	Levi, Ray & Shoup, Inc.	
6/6/2024	Website hosting and related support, May 2024, Invoice #321608	\$200.00
	<b>Total Administrative Operations Services and Supplies Expenses</b>	<b>\$118,506.10</b>

**TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$134,233.10**

### **INVESTMENT OPERATIONS**

#### **Custodial Services**

	State Street Bank & Trust Company	
5/15/2024	Custody Fees, Charges and Expenses for February 2024 Invoice #2402149465-6011	\$35,181.10

**TOTAL INVESTMENT OPERATIONS EXPENSES** **\$35,181.10**

**TOTAL EXPENSES FOR RATIFICATION** **\$174,173.22**

## Warrant #25-02 Paid 8-1-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### BOARD OF TRUSTEES and MEETINGS

#### Education and Training

7/26/2024	Richard White Out of pocket reimbursement for IFEBP 70th Annual Employee Benefits Conference Fee and Hotel Deposit for Trustee Bowers November 10-23, 2024	\$2,295.00
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#### Meeting Expenses

7/22/2024	Sound & Light Creations by Scott Fort Sound system with table top microphones, video screen, and projector for Board Meeting, July 19, 2024, Invoice #7192401	\$1,413.00
7/26/2024	Richard White Out of pocket reimbursement for meeting space at Pere Marquette for meeting room, breakfast and lunch for Board Meeting, July 19, 2024	\$2,349.30
<b>Total Board of Trustees and Meetings Meeting Expense</b>		<b>\$3,762.30</b>

#### Board Member Reimbursements

7/19/2024	Daniel Hopkins Out of pocket reimbursement for hotel, travel, and meals for July 19, 2024, Board Meeting	\$343.84
7/11/2024	Michael Inman Out of pocket reimbursement for travel for June 14, 2024, Board Meeting	\$102.15
7/11/2024	Out of pocket reimbursement for travel for July 10, 2024, Regional Stakeholder Meeting in Rock Island	\$118.59
7/24/2024	Out of pocket reimbursement for travel for July 19, 2024, Board Meeting	\$109.87
7/24/2024	Philip Suess Out of pocket reimbursement for hotel and travel for July 19, 2024, Board Meeting	\$453.73
<b>Total Board of Trustees and Meetings Board Member Reimbursements</b>		<b>\$1,128.18</b>

### TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES

**\$7,185.48**

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### Accounting

7/19/2024	Lauterbach & Amen, LLP Accounting Support Services for June 2024, Invoice #93386	\$192.50
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#### Professional Services - Government Liaison

8/1/2024	Vision M.A.I. Consulting Professional services rendered for August 2024, Invoice #8	\$5,700.00
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## Warrant #25-02 Paid 8-1-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Professional Services - Actuarial Services

	Foster & Foster, Inc.	
8/1/2024	Preparation of Fiscal Year 2023 Actuarial Valuation Reports for 87 Article 3 Funds and 5 hours of additional data work for valuations	\$46,480.00

#### Professional Services - Human Resources

	Lauterbach & Amen, LLP	
7/19/2024	Professional services rendered for June 2024, Invoice #93328	\$2,155.07

#### Professional Services - Legal

##### General

	Reimer Dobrovlny & Labardi PC	
7/15/2024	Legal services rendered and disbursements for the period May 17, 2024 to June 26, 2024, Invoice #30657	\$3,441.60

##### Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
7/11/2024	Legal services rendered in June 2024 regarding general and investment matters, Invoice #698	\$5,127.50

#### Professional Services - Communication

	Shepherd Communications	
7/23/2024	Professional Service Fee for August 2024	\$1,500.00

**Total Administrative Operations Professional Services Expenses** **\$64,596.67**

#### Services and Supplies

##### Insurance

	Cook Castle Associates LLC	
7/22/2024	Insurance policy increase aggregate Fiduciary Liability Limit for Fiscal Year 2025, Invoice #30657	\$16,704.00

##### Office Lease

	City of Peoria	
8/1/2024	Rent for August 2024, Invoice #54287	\$5,375.00

##### Printing & Postage

	Samantha Lambert	
7/18/2024	Out of pocket reimbursement for postage for overnight mailing of documents to Board of Trustee member, July 2024	\$36.10

##### Supplies & Maintenance

	AAA Certified Confidential Security Corp	
7/31/2024	On-site confidential records destruction services from May 2024 to July 2024, Invoice #108901	\$42.40

## Warrant #25-02 Paid 8-1-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Supplies & Maintenance (continued)

	The Cleaning Source	
7/22/2024	Weekly cleaning service for July 2024, Invoice #IP0724	\$193.00
	ODP Business Solutions, LLC	
6/24/2024	Office supplies, 3 Prong Power 15 ft Power Cord, qty 3; Invoice #372436095001	\$76.77
6/25/2024	Office supplies, Surge Protector Outlet Strips, qty 5; Invoice #372435803001	\$101.55
6/25/2024	Office supplies, Engraved Sign, Metal Base, qty 2; Invoice 372436100001	\$37.98
	<b>Total Services and Supplies, Supplies &amp; Maintenance</b>	<b>\$451.70</b>

##### Telecommunications

	AmeriCALL	
7/4/2024	Monthly telephone charges, 7/4/24 - 8/3/24, Invoice #3361636	\$313.65
7/16/2024	Service charge for name change on extensions performed July 12, 2024, Invoice # A25610	\$77.50
	Comcast	
7/12/2024	Monthly data, voice secure packaged services, 7/16/24 - 8/15/24	\$252.35
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$643.50</b>

##### Dues & Licenses

	Levi, Ray & Shoup, Inc.	
7/3/2024	LRS Axcient CloudFinder for Office 365 backup, 25 licenses, June 2024, Invoice #323468	\$125.00
	Thomson Reuters	
7/16/2024	NetStaff CS Web Services fees and Manual processing, June 2024, Invoice #WS11411588	\$484.00
	Richard White	
7/30/2024	Out of pocket expense reimbursement for 10 Zoom licenses for the period of July 28, 2024 to July 27, 2025	\$2,199.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$2,808.00</b>

##### Training & Education

	Illinois Government Finance Officers Association (IGFOA)	
7/24/2024	Professional development conference, IGFOA 2024 Annual Pre-Conference Registration, September 9, 2024, A Zick	\$75.00
7/24/2024	Professional development conference, IGFOA 2024 Annual Conference Registration, September 9-11, 2024, A Zick	\$375.00

## Warrant #25-02 Paid 8-1-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Training & Education (continued)

7/25/2024	Professional development conference, IGFOA 2024 Annual Pre-Conference Registration, September 9, 2024, R Tuczak	\$75.00
7/25/2024	Professional development conference, IGFOA 2024 Annual Conference Registration, September 9-11, 2024, R Tuczak	\$375.00
<b>Total Services and Supplies, Training &amp; Education</b>		<b>\$900.00</b>

##### Travel & Transportation

Katherine Cobb		
7/18/2024	Out of pocket reimbursement for parking fees, July 2024	\$81.00
Kent Custer		
7/10/2024	Out of pocket reimbursement for travel to the Regional Stakeholder Meeting in Rock Island, July 10, 2024	\$131.32
Interview Candidate - CF		
7/3/2024	Out of pocket reimbursement for travel and meals, Interview June 13, 2024	\$678.52
Samantha Lambert		
7/18/2024	Out of pocket reimbursement for parking fees, July 2024	\$81.00
Regina Tuczak		
7/15/2024	Out of pocket reimbursement for travel to the Regional Stakeholder Meeting in Rock Island, IL, July 10, 2024	\$134.00
Richard White		
7/26/2024	Out of pocket reimbursement for hotel and travel to the Regional Stakeholder Meeting in Rock Island, July 10, 2024	\$254.84
<b>Total Services and Supplies, Travel &amp; Transportation</b>		<b>\$1,360.68</b>

##### Website

Levi, Ray & Shoup, Inc.		
7/3/2024	Website hosting and related support, June 2024, Invoice #323467	\$200.00
<b>Total Administrative Operations Services and Supplies Expenses</b>		<b>\$28,478.98</b>

**TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$93,075.65**

### INVESTMENT OPERATIONS

#### Investment & Banking

##### General Investment Consultant

Verus Advisory, Inc.		
6/30/2024	Services for the quarter ending June 30, 2024, Invoice #INV036835	\$106,875.00

## Warrant #25-02 Paid 8-1-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### INVESTMENT OPERATIONS (continued)

#### Investment & Banking (continued)

##### Investment Management

	Acadian	
7/19/2024	Investment Management Services for the quarter ending June 30, 2024, \$262,047,745 AUM, 60.40 bps, Invoice #I159288	\$395,673.00
	LSV Asset Management	
7/11/2024	Investment Management Services for the quarter ending June 30, 2024, \$126,918,500 AUM, 85.91 bps, Invoice #ISIPOP20240630	\$272,587.00
	RhumbLine Advisors	
7/10/2024	Investment Management Services for the quarter ending June 30, 2024, \$2,924,820,610 AUM, .5bps, Invoice #gipop12024Q2	\$36,560.00
	<b>Total Investment &amp; Banking Investment Management</b>	<b>\$704,820.00</b>

##### Custodial Services

	State Street Bank & Trust Company	
5/15/2024	Custody Fees, Charges and Expenses for March 2024, Invoice #2403149465-6011	\$35,852.37
5/30/2024	Custody Fees, Charges and Expenses for April 2024, Invoice #2404149465-6011	\$35,271.68
	<b>Total Investment &amp; Banking Custodial Services</b>	<b>\$71,124.05</b>
	<b>Total Investment Operations Investment &amp; Banking Expenses</b>	<b>\$882,819.05</b>

**TOTAL INVESTMENT OPERATIONS EXPENSES** **\$882,819.05**

**TOTAL EXPENSES FOR RATIFICATION** **\$983,080.18**

## Warrant #25-03 Paid 9-3-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Government Liaison

	Vision M.A.I. Consulting	
9/1/2024	Professional services rendered for September 2024, Invoice #9	\$5,700.00

#### Professional Services - Legal

##### Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
8/12/2024	Legal services rendered in July 2024 regarding general and investment matters, Invoice #731	\$4,636.00

#### Professional Services - Communication

	Shepherd Communications	
8/28/2024	Professional Services Fee for September 2024	\$1,500.00

**Total Administrative Operations Professional Services Expenses      \$11,836.00**

### Services and Supplies

#### Assets under \$5,000

	Central Illinois Security	
9/1/2024	Semi annual monitoring fees, September 2024 to February 2025, Invoice #210734	\$228.00

#### Office Lease

	City of Peoria	
9/1/2024	Rent for September 2024, Invoice #55003	\$5,375.00

#### Supplies & Maintenance

	CityBlue Technologies, LLC	
8/20/2024	Epson AM-C4000 Ink-Cyan and Yellow; Invoice I270315	\$674.00

	The Cleaning Source	
8/30/2024	Weekly cleaning service for August 2024, Invoice #IP0824	\$193.00

	ODP Business Solutions, LLC	
7/23/2024	Office supplies, Plastic forks, 100 count; Invoice #377294877001	\$3.68

7/25/2024	Office supplies, Business Cards, 100 count; Invoice #377296148001	\$59.99
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8/20/2024	Office supplies, HP Ink Cartridges Black and Cyan; Invoice #381391797001	\$68.01
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8/21/2024	Office supplies, Engraved Sign, Metal Base, qty 2; Invoice 381390964001	\$37.98
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**Total Services and Supplies, Supplies & Maintenance      \$1,036.66**

## Warrant #25-03 Paid 9-3-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Telecommunications

	AmeriCALL	
8/4/2024	Monthly telephone charges, 8/4/24 - 9/3/24, Invoice #3396750	\$313.65
	AT&T Mobility	
7/1/2024	Monthly wireless cell phone service, 7/2/24 - 8/1/24, Invoice # 287302376880X07092024	\$763.87
8/1/2024	Monthly wireless cell phone service, 8/2/24 - 9/1/24, Invoice # 287302376880X08092024	\$721.05
	Comcast	
8/12/2024	Monthly data, voice secure packaged services, 8/16/24 - 9/15/24	\$334.12
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$2,132.69</b>

##### Dues & Licenses

	ADP, Inc.	
7/12/2024	Processing charges for period ending June 30, 2024, Debit #665746303	\$102.43
7/19/2024	Processing charges for CA state fee for month ending June 30, 2024, Debit #666089097	\$8.95
8/2/2024	Processing charges for period ending July 15, 2024, Debit #667600542	\$102.43
8/16/2024	Processing charges for period ending July 31, 2024, Debit #668333275	\$111.38
	Levi, Ray & Shoup, Inc.	
8/6/2024	LRS Axcient CloudFinder for Office 365 backup, 25 licenses, July 2024, Invoice #325421	\$125.00
	Notary Public Association	
8/21/2024	Notary Public renewal for Amy Zick for the period of 2024 to 2028	\$111.95
	Thomson Reuters	
8/12/2024	NetStaff CS Web Services fees and Manual processing, July 2024, Invoice #WS11444135	\$484.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$1,046.14</b>



## Warrant #25-03 Paid 9-3-2024



## Expenses for Ratification - September 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Training & Education

	Regina Tuczak	
8/27/2024	Out of pocket reimbursement for IL CPA Society conference, August 28, 2024	\$485.00

##### Travel & Transportation

	Katherine Cobb	
8/12/2024	Out of pocket reimbursement for parking fees, August 2024	\$81.00
	Samantha Lambert	
8/6/2024	Out of pocket reimbursement for parking fees, August 2024	\$81.00
	Regina Tuczak	
8/27/2024	Out of pocket reimbursement for hotel for the Regional Stakeholder Meeting at Rock Island, IL, July 10, 2024	\$119.84
	<b>Total Services and Supplies, Travel &amp; Transportation</b>	<b>\$281.84</b>

##### Utilities

	City of Peoria	
8/31/2024	Q1 - Q2 2024 Utility Reimbursement, Invoice #55145	\$2,791.59

##### Website

	Levi, Ray & Shoup, Inc.	
8/6/2024	Website hosting and related support, July 2024, Invoice #325420	\$200.00
	<b>Total Administrative Operations Services and Supplies Expenses</b>	<b>\$13,576.92</b>

<b>TOTAL ADMINISTRATIVE OPERATIONS EXPENSES</b>	<b>\$25,412.92</b>
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<b>TOTAL EXPENSES FOR RATIFICATION</b>	<b>\$25,412.92</b>
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# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN  
FINANCIAL REPORTING  
DATE: SEPTEMBER 13, 2024

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**RECOMMENDATION:** Receive the report. No Formal Action is required.

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### **Background/discussion**

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to IPOPIF by the GFOA for its annual comprehensive financial report for the year ended June 30, 2023. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

This is the first time that the IPOPIF applied for the award which coincided with a more comprehensive annual certified financial report (ACFR) for fiscal year 2023 based on the growth of the fund in terms of the investment program and transfer of assets of a majority of the Article 3 police pension funds. The GFOA award signifies that the ACRF satisfied the high standards of the program.

Recognition in receiving the Certificate of Achievement for Excellence in Financial Reporting should be extended to Regina Tuczak, Chief Financial Officer for her leadership and vision in applying for this award and to Regina and Amy Zick, Senior Accountant for their hard work, attention to detail, and commitment to excellence in preparation of the ACFR.



**Government Finance Officers Association**  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

8/29/2024

Richard White  
Executive Director  
Illinois Police Officers' Pension Investment Fund

Dear Richard:

We are pleased to notify you that your annual comprehensive financial report for the fiscal year ended June 30, 2023 qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. This award has been sent to the submitter as designated on the application.

We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and give appropriate publicity to this notable achievement. A sample news release is included to assist with this effort.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,

Michele Mark Levine  
Director, Technical Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Illinois Police Officers' Pension Investment Fund**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: Board of Trustees

FROM: Regina Tuczak, Chief Financial Officer, Richard White, Executive Director,  
Kent Custer, Chief Investment Officer

RE: Agenda Item 7.4 – Valuation and Cost Rule (AR 2022-01): Discussion and  
Potential Action

DATE: September 13, 2024

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**RECOMMENDATION:** Approve the Valuation and Cost Rule (AR 2022-01), revised September 13, 2024.

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- Reflects one true-up calculation or final transfer allocation for costs and loan payments made based on all assets held by IPOPIF for each participant pension fund as of December 31, 2024.
  - Interest to be charged to each fund with an allocated amount due based on the return of the IPOPIF portfolio, from the date each cost and loan payment was made, to the date of January 1, 2025.
  - The final transfer allocation to be provided to NRS and applied to all participant funds after December 31, 2024.
  - Significant cash contributions received by IPOPIF subsequent to December 31, 2024, can be evaluated by IPOPIF for potential cost sharing.

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The Audit and Budget Committee reviewed the revisions to the Valuation and Cost rule at their meeting on May 17, 2024, and voted 3-0 (with one trustee absent) in favor of presenting the revisions to the Board of Trustees for approval.

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**SUBJECT:** Valuation and Cost Rule Considerations

**BACKGROUND:** The last revision to Rule Number AR-2022-01, Valuation and Cost Rule, was approved by the Board on September 9, 2022. Since such date the following has occurred:



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

- 1) 115 Article 3 Funds transferred investment assets to IPOPIF, representing approximately \$2.152 billion in investment assets<sup>1</sup>
- 2) The Board confirmed December 31, 2022, as the closing date for the transition period of participating pension funds transfer of investment assets to the Fund.
- 3) Effective January 1, 2023, expenses are paid from State Street Bank & Trust generally on the first business day of each month, with a pro-rata allocation to each participant fund based on their respective balance in the IPOPIF consolidated investment pool on the last business day of the prior month. Prior to January 1, 2023, the participant pension funds did not have any expenses charged to their balance as all expenses were paid from Lake Forest Bank & Trust Company with proceeds of the Illinois Finance Authority (IFA) Loan.
- 4) A loan payment was made to the IFA on January 3, 2023, from custodied assets at State Street of \$1,024,385.83, representing \$86,431.35 in interest and \$937,954.48 in principal. A subsequent payment was made to the IFA on April 3, 2023, for \$5,709,899.40, representing interest of \$82,172.52 of interest and \$5,627,726.88 in principal. With this payment, the loan from the IFA was paid in full.
- 5) A few of Article 3 Funds experienced transfers of investment assets that spanned several months, primarily related to legacy custodian processes.<sup>2</sup>
- 6) Net positive cash flow into the Fund since September of 2022 has been approximately \$350 million. In some cases, significant cash contributions were received from participant funds months after their respective investment transfer date.<sup>3</sup>
- 7) The Illinois Supreme Court affirmed the constitutionality of the Public Act 101-0610 on January 19, 2024.
- 8) On February 9, 2024, the Board of Trustees approved a final transfer of assets from the Late Transferring Police Pension Funds on or about October 1, 2024.

In summary, the Valuation and Cost Rule defines the Net Asset Value (NAV) of Participating Police Pension Funds, calculation of the NAV, and allocations to be made to Participating Police Pension Funds and Late Transferring Participating Police Pension Funds.

### ISSUES:

The following issues with respect to the Valuation and Cost Rule (V and C Rule) are noted:

- 1) Section B of the V and C Rule indicates calculation of a receivable balance as an element of the NAV for participant police pension funds for various outstanding liabilities due from the Late-Transferring Police Pension Funds. Without significant programming changes to the existing recordkeeping platform, State Street is not able to calculate or document receivables or payable balances on the monthly statements generated by Northeast Retirement Systems (NRS). IPOPIF staff can calculate all amounts due and provide detail by participant fund, but such amounts would not be classified as a receivable or liability, but rather a direct adjustment to the NAV that was calculated by the recordkeeping system based on custody market values.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

- 2) Elements of the receivable and liability calculation as stated in the V and C Rule do not reflect some of the realities of the transition process or the months that followed the close of the transition period in a manner that provides equitable treatment for all funds. Specifically:
- a) Costs paid from the custodian account were paid from the IPOPIF consolidated pool. Participant pension funds that had balances in the IPOPIF transition pool or the Member Fund pool were not charged a pro-rate share of costs or IFA loan interest or repayment for monies held in these pools. (See attachment A for balances held in each pool through the end of 2023.)
  - b) Participant funds that transferred a portion of their investment assets after January 1<sup>st</sup> or after the first business day of any month in 2023 or later were not allocated costs or IFA loan interest or repayment, on these later transfers in the month of receipt.
  - c) Cash was treated as a non-Transferable Asset during the transfer process and subsequent contributions varied across funds in terms of relative amounts and timing. This introduces an equitable treatment consideration as costs and loan payments were not allocated on cash until the month after receipt by the Fund.
  - d) Asset data compiled by the Illinois Department of Insurance pertaining to the Late-Transferring Participating Police Pension Funds is lagged when compared to current participant funds that were allocated costs and loan payments based on real time, current values.
  - e) Investment management fees were paid from loan proceeds prior to January 1, 2023. When the loan payments were made in 2023, some of the participant police pension funds were indirectly charged for investment manager fees for periods of time in which their assets were not invested with the Fund.

### **RESOLUTION:**

Given these considerations, a proposed change to the V and C Rule is recommended which would provide that one "true-up" or final transfer allocation for costs and the Loan payments be made based on all assets held by IPOPIF for each participant pension fund based on their balance on December 31, 2024. This final transfer allocation would replace the receivable and liability concept introduced in the V and C Rule. The pro-rata costs and the IFA Loan payments allocations to each Late-Transferring Fund would be assessed an interest charge based on the return of the IPOPIF portfolio, from the date each cost and the IFA Loan Interest payments and Repayments of principal were paid, to the date of January 1, 2025. This final transfer allocation



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

would be provided to NRS and applied to all participant funds as soon as practicable following December 31, 2024.

At the time of the December 31, 2024, calculation, an allocation charge will also be computed based on the value of all assets held by the IPOP at December 31, 2024. The allocation charge will include all costs except investment manager fees since January 1, 2023, the IFA Loan payments, and monthly interest since January 1, 2023. Subsequent to January 1, 2025, the IPOP has the right to evaluate future contributions for potential cost-sharing of this allocation charge and any subsequent costs.

The date of December 31, 2024, for the calculation provides an equitable measurement basis for all current participant funds and all Late-Transferring Funds as it is anticipated that the October 1, 2024, transfer will be completed by such date. Subsequent significant cash contribution by any Article 3 Fund can be evaluated for potential cost-sharing as determined by IPOP to ensure equitable treatment.

Revisions to the V and C Rule, both a clean and marked copy, are included as Attachments B and C, respectively.

A sample calculation of the final transfer allocation is included as Attachment D.

1. From October 17, 2023, Regional Stakeholder Meeting in Bloomingdale, IL
2. Examples (a) The Park Ridge Police Pension Fund transferred \$24,220,144.23 in December of 2022, \$14,029,231.04 in February of 2023, and \$184,233.63 in March of 2023. (b) The Richton Park Police Pension Fund transferred \$12,379,426.94 in January of 2023, \$3,671,390.31 in March of 2023, and \$1,204,420.14 in May of 2023.
3. Example – (a) Gilbert Police Pension Fund transferred \$4,003,179.04 in December of 2022. As of February 28, 2023, their account balance was \$4,053,096.52. A cash contribution of \$2,023,800 was received in March of 2023. (b) Sterling Police Pension Fund transferred \$15,711,209.66 in October of 2022. As of April 30, 2023, their account balance was \$18,953,737.34. A cash contribution of \$4,445,580.70 was received in May of 2023.



## ATTACHMENT A

Beginning of Month Balance	Member Fund Balance	Transition Fund Balance	Consolidated Pool Balance	Total Investments Held
Apr-22	400,034	3,858,196	216,950,030	221,208,260
May-22	766,264	17,961,199	613,887,954	632,615,417
Jun-22	3,585,249	8,016,432	969,719,417	981,321,097
Jul-22	618,443,969	511,980,863	1,624,523,271	2,754,948,103
Aug-22	199,656,254	273,688,745	2,562,851,174	3,036,196,173
Sep-22	38,234,699	319,472,216	4,011,868,799	4,369,575,713
Oct-22	17,675,391	457,977,873	5,250,239,390	5,725,892,654
Nov-22	80,411,274	573,726,124	6,262,246,441	6,916,383,839
Dec-22	22,153,676	266,800,854	7,431,119,020	7,720,073,550
Jan-23	33,905,897	280,635,591	8,125,140,320	8,439,681,808
Feb-23	21,640,267	38,666,678	8,902,795,783	8,963,102,728
Mar-23	2,079,010	16,847,372	8,839,352,289	8,858,278,671
Apr-23	4,771	31,110,292	8,985,809,088	9,016,924,151
May-23	3,238	37,000,689	9,109,881,517	9,146,885,445
Jun-23	1,195,177	-	9,067,690,719	9,068,885,897
Jul-23	-	-	9,387,424,024	9,387,424,024
Aug-23	-	-	9,641,962,787	9,641,962,787
Sep-23	-	-	9,449,456,845	9,449,456,845
Oct-23	-	-	9,196,231,782	9,196,231,782
Nov-23	-	-	8,962,246,422	8,962,246,422
Dec-23	-	-	9,533,282,659	9,533,282,659

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**  
**BOARD ADMINISTRATIVE RULE**

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**RULE NUMBER:** AR -2022-01  
**SUBJECT:** VALUATION AND COST RULE  
**EFFECTIVE DATE:** January 28, 2022  
**AMENDED:** September 9, 2022  
September 13, 2024

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**INDEX**

[Section A. Definitions](#)

[Section B. Calculation of Net Asset Value](#)

Section C. Allocation of Income, Costs, IFA Loan Repayment, Investment Management Fees, and Transfer After the Final Transfer

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**Section A. Definitions**

- 1) "Net Asset Value" or "NAV" is the value of each Participating Police Pension Fund's assets.
- 2) "Board" means the IPOPIF Board of Trustees.
- 3) "Costs" means all IPOPIF expenses, except investment management fees.
- 4) "Custodian" means the custodial bank holding all IPOPIF investment assets.
- 5) "Extraordinary Costs" means those Costs that IPOPIF incurs in connection with the transfer of assets of Late-Transferring Participating Police Pension Funds that IPOPIF would not have incurred if the Late-Transferring Participating Police Pension Funds had transferred assets during the Transition Period.
- 6) "Final Transfer" means the final transfer of investment assets from a Participating Police Pension Fund on or about October 1, 2024, but no later than December 31, 2024.
- 7) "Final Transfer Allocation" shall be the value of each Participating Police Pension Fund's assets as calculated on December 31, 2024.
- 8) "IFA Loan" means the loan agreement entered into between IPOPIF and the Illinois Finance Authority (IFA).
- 9) "IPOPIF" means the Illinois Police Officers' Pension Investment Fund.

- 10) "Late-Transferring Participating Police Pension Fund" means a Participating Police Pension Fund that does not transfer assets during the Transition Period.
- 11) "Participating Police Pension Fund" means a pension fund established pursuant to Article 3 of the Illinois Pension Code.
- 12) "Pension Fund Account" means the specific custody account established by the Custodian and assigned to each Participating Police Pension Fund.
- 13) "Transition Period" means the period ending on December 31, 2022, or such later date as may be established by law or by the Board.

### **Section B. Calculation of Net Asset Value**

- 1) The Custodian shall calculate the Net Asset Value for each Participating Police Pension Fund on a daily basis.

The initial NAV for each Participating Police Pension Fund will be determined based on the Custodian's valuation of the assets transferred from the Participating Police Pension Fund to IPOPIF on the Transfer Date, as defined in AR-2021-02.

After transfer of investment assets, and initial NAV determination, each Participating Police Pension Fund's NAV will include:

- a) Cash and securities held in the Pension Fund Account;
- b) Percentage ownership or units of IPOPIF investment pool(s);
- c) The Final Transfer Allocation described below.

- 2) Subsequent to the Final Transfer, IPOPIF will determine the Final Transfer Allocation for each Participating Police Pension Fund, which shall include each of the following:

- a) A pro-rata allocation based on the balance of the sum of amounts under Subsections 1(a) and 1(b) above for each Participating Police Pension Fund as of December 31, 2024, divided by the sum of total amounts under Subsections 1(a) and 1(b) above of all Participating Police Pension Funds as of December 31, 2024. This allocation will be applied to:
  - (i) The IFA Loan payment made on January 3, 2023,
  - (ii) The IFA Loan payment made on April 3, 2023.
  - (iii) Costs paid using funds from the total consolidated IPOPIF investment portfolio for the period January 1, 2023, through December 31, 2024.

- b) For each Participating Police Pension Fund whose allocation under Subsection 2a) above is greater than the amounts paid by such Participating Police Pension Fund as of December 31, 2024, such amount shall be deemed a shortfall due and owing to IPOPIF. The shortfall shall be charged to such Participating Police Pension Fund as soon as reasonably practical after January 1, 2025, and allocated pro-rata to each Participating Police Pension Fund whose allocation under Subsection 2a) above is less than the amounts paid prior to December 31, 2024, which shall be deemed a reimbursement due and owing to such Participating Police Pension Fund.
- c) The shortfall due and owing to IPOPIF under Subsection 2b) shall accrue interest at IPOPIF's actual rate of return, calculated monthly and reduced to a daily rate for each month, starting the day after the conclusion of the Transition Period through December 31, 2024. If investment return is negative for the time period described in the preceding sentence a credit will be given for that time period that reduces their portion of such shortfall (to no less than \$0). The interest allocation shall be credited on a pro-rata basis to Participating Police Pension Funds with a reimbursement due and owing under Subsection 2b) above. Such interest expense shall be charged to each Participating Police Pension Fund with a shortfall and credited to each Participating Police Pension Fund with a reimbursement due as soon as reasonably practical after January 1, 2025.
- d) Extraordinary Costs, if any, attributable to each Late-Transferring Participating Police Pension Fund shall be (i) equitably allocated to each Late Transferring Participating Police Pension Fund as determined by IPOPIF; and (ii) credited on a pro-rata basis to Participating Police Pension Funds that transferred assets prior to the Final Transfer and paid such Extraordinary Costs.

### **Section C. Allocation of Income, Costs, IFA Loan Repayment, Investment Management Fees, and Transfers After the Final Transfer**

- 1) Income will be allocated based on each Participating Police Pension Fund's percentage share of the total NAV of all Participating Police Pension Funds as of the end of the day prior to the income transaction.
- 2) Costs will be paid first with funds obtained from drawdowns on the IFA Loan and thereafter using funds from the total consolidated IPOPIF investment portfolio.
- 3) Prior to the Final Transfer, Costs and IFA Loan repayment will be allocated based on each Participating Police Pension Fund's percentage share of the total NAV of all Participating Police Pension Funds as of the end of the day prior to the Cost or IFA Loan repayment transaction. After the Final Transfer, Costs and IFA Loan repayment will be allocated to each Participating Police Pension Fund, including Late-Transferring Participating Police Pension Funds, in a manner consistent with Section B of this Rule.

- 4) Investment management fees incurred before and after the Transition Period will be allocated in a manner consistent with Section B of this Rule on a pro rata basis only for the time that Participating Police Pension Fund assets were invested by IPOPIF.
- 5) After the Final Transfer, IPOPIF reserves the right to evaluate future asset transfers and contributions from Participating Police Pension Funds and to equitably allocate Costs and Extraordinary Expenses in a manner consistent with Section B of this Rule.

**Version History**

1/28/22	Original
2/17/22	Amendment
9/9/22	Amendment
9/13/24	Revised

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND  
BOARD ADMINISTRATIVE RULE**

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**RULE NUMBER:** AR -2022-01  
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**Section A. Definitions**

- 1) "Net Asset Value" or "NAV" is the value of each Participating Police Pension Fund's assets minus the value of each Pension Fund's share of IPOPIF liabilities.
- 2) "Board" means the IPOPIF Board of Trustees.
- 3) "Costs" means all IPOPIF expenses, except investment management fees.
- 4) "Custodian" means the custodial bank holding all IPOPIF investment assets.
- 5) "Extraordinary Costs" means those Costs that IPOPIF incurs in connection with the transfer of assets of Late-Transferring Participating Police Pension Funds that IPOPIF would not have incurred if the Late-Transferring Participating Police Pension Funds had transferred assets during the Transition Period.
- 6) "Final Transfer" means the final transfer of investment assets from a Participating Police Pension Fund on or about October 1, 2024, but no later than December 31, 2024.
- 5)7) "Final Transfer Allocation" shall be the value of each Participating Police Pension Fund's assets as calculated on December 31, 2024.
- 6)8) "IFA Loan" means the loan agreement entered into between IPOPIF and the Illinois Finance Authority (IFA).
- 7)9) "IPOPIF" means the Illinois Police Officers' Pension Investment Fund.

- ~~8)~~10) "Late-Transferring Participating Police Pension Fund" means a Participating Police Pension Fund that does not transfer assets during the Transition Period.
- ~~9)~~11) "Participating Police Pension Fund" means a pension fund established pursuant to Article 3 of the Illinois Pension Code.
- ~~10)~~12) "Pension Fund Account" means the specific custody account established by the Custodian and assigned to each Participating Police Pension Fund.
- ~~11)~~13) "Transition Period" means the period ending on December 31, 2022, or such later date as may be established by law or by the Board.

### Section B. Calculation of Net Asset Value

- 1) The Custodian shall calculate the Net Asset Value for each Participating Police Pension Fund on a daily basis.
  - ~~2)~~ The initial NAV for each Participating Police Pension Fund will be determined based on the Custodian's valuation of the assets transferred from the Participating Police Pension Fund to IPOPIF on the Transfer Date, as defined in AR-2021-02.
  - ~~3)~~ After transfer of investment assets, and initial NAV determination, eEach Participating Police Pension Fund's NAV will include:
    - a) Cash and securities held in the Pension Fund Account;
    - b) Percentage ownership or units of IPOPIF investment pool(s);
    - ~~c) The Final Transfer Allocation described below~~After the Transition Period, NAV will also include,
    - ~~e)~~ 2) Subsequent to the Final Transfer, IPOPIF will determine the Final Transfer Allocation for each Participating Police Pension Fund, which shall include each of the following::
      - ~~a) A pro-rata allocation based on the The percentage share of the outstanding balance of the IFA Loan, if any, calculated as the custodied assets of the Participating Police Pension Fund (the sum of amounts under Subsections 1(a) and 1(b) above), for each Participating Police Pension Fund as of December 31, 2024, divided by the sum of total amounts under Subsections 1(a) and 1(b) above~~custodied assets of all Participating Police Pension Funds, as of December 31, 2024. This allocation will be applied to:
      - ~~(i) The IFA Loan payment made on January 3, 2023, and~~

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~~(ii) The IFA Loan payment made on April 3, 2023. A receivable representing the estimated pro-rata portion of the liability for the outstanding balance of the IFA Loan in Subsection (i), above, attributable to Late-Transferring Participating Police Pension Funds that have not yet transferred based upon asset data compiled by the Illinois Department of Insurance. The receivable and applicable share of the IFA Loan repayment will be re-calculated and made equitable in a timely manner as remaining Late-Transferring Participating Police Pension Funds transfer assets; and~~

~~(iii) Costs paid using funds from the total consolidated IPOPIF investment portfolio for the period January 1, 2023, through December 31, 2024. A receivable representing a pro-rata portion of Costs paid with custodied assets attributable to Late-Transferring Participating Police Pension Funds that have not yet transferred based upon asset data compiled by the Illinois Department of Insurance. The receivable and applicable share of the payment of Costs will be re-calculated and made equitable in a timely manner as remaining Late-Transferring Participating Police Pension Funds transfer assets; and~~

~~b) For each Participating Police Pension Fund whose allocation under Subsection 2a) above is greater than the amounts paid by such Participating Police Pension Fund as of December 31, 2024, such amount shall be deemed a shortfall due and owing to IPOPIF. The shortfall shall be charged to such Participating Police Pension Fund as soon as reasonably practical after January 1, 2025, and allocated pro-rata to each Participating Police Pension Fund whose allocation under Subsection 2a) above is less than the amounts paid prior to December 31, 2024, which shall be deemed a reimbursement due and owing to such Participating Police Pension Fund.~~

~~(iii)c) The shortfall due and owing to IPOPIF under Subsection 2b)~~

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~~(iv)2~~ A receivable representing interest on the pro-rata portion of IFA Loan repayments and Costs as described in Subsections (ii) and (iii), above, attributable to Late-Transferring Participating Police Pension Funds that have not yet transferred based upon asset data compiled by the Illinois Department of Insurance. Interest shall accrue interest at IPOPIF's actual rate of return, calculated monthly and reduced to a daily rate for each month, starting the day after the conclusion of the Transition Period through December 31, 2024 until the day assets are transferred to IPOPIF. If investment return is negative for the time period described in the preceding sentence a credit will be given for that time period that reduces their portion of such shortfall liabilities (to no less than \$0). The interest allocation receivable shall be credited on a pro-rata basis to Participating Police Pension Funds with a reimbursement due and owing under Subsection 2b) above. Such interest expense shall be charged to each Participating Police Pension Fund with a shortfall and credited to each Participating Police Pension Fund with a reimbursement due as soon as reasonably practical after January 1, 2025. and Late-Transferring Participating Police Pension Funds that have previously transferred assets; and

~~(v) d)~~ A receivable representing Extraordinary Costs, if any, attributable to each Late-Transferring Participating Police Pension Fund shall to be credited (i) equitably allocated to each Late Transferring Participating Police Pension Fund as determined by IPOPIF; and (ii) credited on a pro-rata basis to Participating Police Pension Funds and Late-Transferring Participating Police Pension Funds that have previously transferred assets prior to the Final Transfer and paid such Extraordinary Costs.;

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### **Section C. Allocation of Income, Costs, ~~and~~ IFA Loan Repayment, Investment Management Fees, and Transfers After the Final Transfer**

- 1) ~~Income, Costs, and IFA Loan repayment~~ will be allocated based on each Participating Police Pension Fund's percentage share of the total NAV of all Participating Police Pension Funds as of the end of the day prior to the ~~income, Cost, or IFA Loan repayment transaction~~ income transaction.
- 2) Costs will be paid first with funds obtained from drawdowns on the IFA Loan and; ~~if necessary,~~ thereafter using funds from the total consolidated IPOPIF investment portfolio.
- 3) Prior to the Final Transfer, Costs and IFA Loan repayment will be allocated based on each Participating Police Pension Fund's percentage share of the total NAV of all Participating Police Pension Funds as of the end of the day prior to the Cost or IFA Loan repayment transaction. After the Final Transfer, Costs and IFA Loan rRepayment ~~of the IFA Loan and the payment of Costs~~ will be allocated to each Participating Police Pension Fund, including Late-Transferring Participating Police Pension Funds, in a manner consistent with Section B of this Rule.

- 4) Investment management fees incurred before and after the Transition Period will be allocated in a manner consistent with Section B of this Rule on a pro rata basis only for the time that Participating Police Pension Fund assets were invested by IPOPIF.
- 5) After the Final Transfer, IPOPIF reserves the right to evaluate future asset transfers and contributions from Participating Police Pension Funds and to equitably allocate Costs and Extraordinary Expenses in a manner consistent with Section B of this Rule.  
~~Extraordinary Costs shall be equitably allocated to the Late Transferring Pension Funds as determined by IPOPIF.~~

**Version History**

1/28/22	Original
2/17/22	Amendment
9/9/22	Amendment
<u>9/13/24</u>	<u>Revised</u>

**JANUARY 2023**

Attachment D

Participating Police Pension Fund Balance	IPOPIF Pool Balance 12/31/2024	IPOPIF Pool Balance at 12/31/2022	Expenses Charged Based on January 2023 Allocation		Total Expenses January 2023 Allocation	Expenses Charged Based on December 2024 Allocation		Final Expenses Dec 24 Allocation	Adjustment for January 2023
			Admin	Invest		Admin	Invest		
Fund A	500,000.00	450,000.00	4,794.21	2,237.59	7,031.79	4,363.84	2,036.72	6,400.56	(631.23)
Fund B	250,000.00	240,000.00	2,556.91	1,193.38	3,750.29	2,181.92	1,018.36	3,200.28	(550.01)
Fund C	50,000.00	35,000.00	372.88	174.03	546.92	436.38	203.67	640.06	93.14
Fund D	85,000.00	-	-	-	-	741.85	346.24	1,088.10	1,088.10
	885,000.00	725,000.00	7,724.00	3,605.00	11,329.00	7,724.00	3,605.00	11,329.00	-
Expense Total			7,724.00	3,605.00	11,329.00	7,724.00	3,605.00	11,329.00	

Participating Police Pension Fund	Adjustment for January 2023	Interest Expense January 2023	Total Adjustment as of 1/31/2023
		5.20%	
Fund A	(631.23)	(32.82)	(664.05)
Fund B	(550.01)	(28.60)	(578.61)
Fund C	93.14	4.84	97.98
Fund D	1,088.10	56.58	1,144.68
Sum Total	0	0	0

**FEBRUARY 2023**

Participating Police Pension Fund Balance	IPOPIF Pool Balance 12/31/2024	IPOPIF Pool Balance at 1/31/2023	Expenses Charged Based on February 2023 Allocation		Total Expenses February 2023	Expenses Charged Based on December 2024 Allocation		Final Expenses Dec 24 Allocation	Adjustment for February 2023
			Admin	Invest		Admin	Invest		
			Fund A	500,000.00		466,000.00	1,259.60		
Fund B	250,000.00	230,000.00	621.69	511.08	1,132.77	560.45	460.73	1,021.19	(111.58)
Fund C	50,000.00	38,000.00	102.71	84.44	187.15	112.09	92.15	204.24	17.08
Fund D	85,000.00	-	-	-	-	190.55	156.65	347.20	347.20
	885,000.00	734,000.00	1,984.00	1,631.00	3,615.00	1,984.00	1,631.00	3,615.00	0
Expense Total			1,984.00	1,631.00	3,615.00	1,984.00	1,631.00	3,615.00	

Participating Police Pension Fund	Adjustment for February 2023	Carrying Adjustment as of 1/31/2023	Adjustment		Total Adjustment as of 2/28/2023
			as of 2/28/2023 prior to Interest	Interest Expense February 2023	
				-2.20%	
Fund A	(252.71)	(664.05)	(916.76)	20.17	(896.59)
Fund B	(111.58)	(578.61)	(690.19)	15.18	(675.00)
Fund C	17.08	97.98	115.07	(2.53)	112.54
Fund D	347.20	1,144.68	1,491.88	(32.82)	1,459.06
Sum Total	0	0	0	0	0

**MARCH 2023**

Participating Police Pension Fund Balance	IPOPIF Pool Balance 12/31/2024	IPOPIF Pool Balance at 2/28/2023	Expenses Charged Based on March 2023 Allocation		Total Expenses March 2023 Allocation	Expenses Charged Based on December 2024 Allocation		Final Expenses Dec 24 Allocation	Adjustment for March 2023
			Admin	Invest		Admin	Invest		
			Fund A	500,000.00		449,000.00	478.27		
Fund B	250,000.00	227,000.00	241.80	473.83	715.63	216.95	425.14	642.09	(73.54)
Fund C	50,000.00	45,000.00	47.93	93.93	141.87	43.39	85.03	128.42	(13.45)
Fund D	85,000.00	-	-	-	-	73.76	144.55	218.31	218.31
	885,000.00	721,000.00	768.00	1,505.00	2,273.00	768.00	1,505.00	2,273.00	0
Expense Total			768.00	1,505.00	2,273.00	768.00	1,505.00	2,273.00	

Participating Police Pension Fund	Adjustment for March 2023	Carrying Adjustment as of 2/28/2023	Adjustment as of 3/31/2023		Total Adjustment as of 3/31/2023
			Interest prior to Interest	Interest Expense March 2023	
				1.40%	
Fund A	(131.32)	(896.59)	(1,027.91)	(14.39)	(1,042.30)
Fund B	(73.54)	(675.00)	(748.54)	(10.48)	(759.02)
Fund C	(13.45)	112.54	99.09	1.39	100.48
Fund D	218.31	1,459.06	1,677.37	23.48	1,700.85
Sum Total	0	0	0	0	0

# Finance and Accounting Update Report

As of September 5, 2024



# Current Initiatives

<b>Agreed Upon Procedures of Article 3 Police Pension Funds</b>	<b>Tranche 1 In Process</b> <ul style="list-style-type: none"><li>• 30 Participant Pension Funds selected</li><li>• Communication sent from IPOPIF to Authorized Agents week of August 19</li><li>• IDOI sent most recent Annual Statements to assigned CPA firms on August 27</li><li>• Communication sent from assigned CPA firms to Authorized Agents on September 5</li><li>• Procedures to begin on or about October 1</li></ul>
<b>Fiscal Year 2024</b>	<b>Accounting for June 30 and full fiscal year complete and included in June Monthly Financials presented</b> <b>Audit fieldwork to begin September 30</b>
<b>Recruitment of Senior Accountant/Auditor</b>	<b>Position open – recruitment continues</b>
<b>IMRF Compliance Audit</b>	<b>Completed on July 2, 2024</b>



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOPIF BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: GENERAL LEGAL COUNSEL REPORT**  
**DATE: SEPTEMBER 13, 2024**

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**Recommended action:** Receive report. No formal action is required.

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General Legal Counsel Rick Reimer will provide a verbal report to the Board of Trustees. No written materials are provided for this report.





# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOPIF BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: FIDUCIARY LEGAL COUNSEL REPORT**  
**DATE: SEPTEMBER 13, 2024**

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**Recommended action:** Receive report. No formal action is required.

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Fiduciary Legal Counsel Taylor Muzzy will provide a verbal report to the Board of Trustees. No written materials are provided for this report.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOPIF BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: CLOSED SESSION ITEM**  
**DATE: SEPTEMBER 13, 2024**

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Should the Board of Trustees desire to enter into Closed Session, the following motions are suggested for Board action to enter into and return from Closed Session:

### **ITEM 11.1 CLOSED SESSION MOTION:**

A motion was made by Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_ to enter into closed session at \_\_\_\_\_ AM/PM in accordance with 5 ILCS 120/2(c)(21) to conduct semi-annual review of closed session minutes.

**OPEN SESSION MOTION:** Motion to resume open session.

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These confidential materials will be provided to the Board of Trustees under separate cover.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOP BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: CLOSED SESSION ITEM**  
**DATE: SEPTEMBER 13, 2024**

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Should the Board of Trustees desire to enter into closed session during the Board meeting, the following motion is suggested for Board action to enter into and return from Closed Session:

### CLOSED SESSION MOTION:

A motion was made by Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_ to enter into closed session in accordance with the exception under 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees and specific individuals.

### OPEN SESSION MOTION:

A motion was made by Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_ to resume open session.