



ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

July 2024 Newsletter

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POSTS SOLID RESULTS FOR FISCAL YEAR 2024,

CONTINUES PORTFOLIO DIVERSIFICATION

The Illinois Police Officers' Pension Investment Fund (IPOPIF) returned 11.9% in the Fiscal Year (FY) ending June 30, 2024, another year of double-digit returns following the 13.7% return recorded for FY 2023. Detailed performance will be reviewed at the September 13, 2024, Board of Trustees meeting.

Continuing its efforts to diversify the investment portfolio, the Board of Trustees approved a search for an active investment manager to build a diversified private credit (PC) portfolio at its meeting on July 19, 2024. The long-term asset allocation dedicates 5% to the PC asset class. This search seeks a single private credit platform with a wide spectrum of diversified strategies and an experienced track record.

This approach will provide the scale and scope to allow IPOPIF's private credit program to scale up in a timely and effective process. The objective is to identify one manager that will be responsible for at least 3% of the IPOPIF fund. The search is now underway. Board interviews and selection are targeted for the December 13, 2024, Board meeting.

Investments Updates

Emerging Market Debt Search

The Emerging Market Debt (EMD) manager search is proceeding on plan. Semifinalist interviews with staff and investment consultant Verus were conducted on July 11 and 12. Board interviews and selection are planned for the September 13, 2024, board meeting.



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Emerging Market Equity Search

The Emerging Market Equity (EME) ex China manager search also is underway, following Board approval in June. Proposals are due by August 16th and final interviews and selection are targeted for the October 18, 2024, board meeting.

Private Markets Investments

One benefit of the investment consolidation is the IPOPIF has the scale to efficiently invest in private markets. While private market investments are expected to increase portfolio returns, there are additional risks that warrant a robust implementation plan.

At the July 19, 2024, Board meeting Chief Investment Officer, Kent Custer, and Verus Consultant Tim McEnery, reviewed a conceptual implementation framework for private market investments. Staff will incorporate Board feedback and further develop the implementation plan for review at the September 13, 2024, Board meeting.

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. Investment staff will provide a strategic plan for private equity implementation that is consistent with the Verus implementation strategy at the September board meeting.

Ethics Training

As dictated by the Pension Code, IPOPIF's General Legal Counsel Richard Reimer presented an update and refresher course on Basic Ethics for the Board of Trustees at the July meeting. Among the topics covered were:

- Consequences of ethics violations
- Prohibition on gifts
- The Illinois Governmental Ethics Act
- Contingent and placement fees
- Prohibited transactions
- No monetary gain on investments
- Fraud



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On the Road Again

IPOPIF's fourth Regional Stakeholder Meeting was conducted in Rock Island on July 10, 2024. The next Regional Stakeholder Meeting is scheduled for October 23, 2024, in Rockford.

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

Chairperson Suess was recently [interviewed](#) on his service as an IPOPIF trustee and as the Mayor of Wheaton by IPPFA President James McNamee and Project Coordinator Dan Ryan for the organization's podcast.

Trustee Election

As noted in the June newsletter, the IPOPIF elected trustees serve four-year terms of office with the election on a two-year staggered election cycle. The trustee seats subject to election currently are:

- Municipal Member Trustee seats number two and number three.
- Active Member Trustee seat number six
- Beneficiary Member Trustee number eight
- Trustee Seat number 9 is the seat appointed by the Illinois Governor as recommended by the Illinois Municipal League and with the advice and consent of the Senate. The appointment is for a two-year term of office and will run from January 2025 through December 2026.



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Nomination and Election Process

The nominations for election will be conducted using a paper nomination process similar to the past nomination procedure and will be coordinated by IPOPIF's Executive Director, Richard White.

Candidate nomination period opened on June 17, 2024, and closed on July 31, 2024. It will be followed by a candidate nomination challenge period as follows:

- August 7-8, 2024 – Challenge Filing Period
- August 13-14, 2024 – Challenge Hearing Period
- August 16, 2024 – Challenge Decision Filing
- August 23, 2024 – Challenge Determination – Board of Trustees

Ballot packets will be mailed to electors on September 16, 2024, and need to be returned to IPOPIF by October 4, 2024. The Election Policy provides the administrative rule for challenges to the election results and for the resolution of these challenges. The Board of Trustees makes the final decision based on the recommendation of the Conflict Legal Counsel, which if needed, is scheduled for the Board of Trustees meeting on October 18, 2024. The Board will review and certify the election results at the December 13, 2024, meeting.

The newly elected Board of Trustees will have an Oath of Office administered and will be seated at the January 17, 2025, meeting (tentative date) and will serve through December 2028.



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IPOPIF Blotter

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

If you are a member of one of the 357 Article 3 pension plans that are a part of IPOPIF, be sure to send us a photo of your agency for our [Blue Line Mugshot](#) page. Please send photos in jpeg format to info@ipopif.org.

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

As noted in previous newsletters and above, key investment information is posted to the IPOPIF website and is reviewed and discussed at the IPOPIF Board meetings which are open to the public and available via Zoom. Check for meeting dates and times [here](#). The link to the Zoom call is included in the [meeting agendas](#) which also are posted on our website. The next Board of Trustee meeting is Board of Trustees a special meeting scheduled for Friday, August 23, 2024. The regular Board of Trustees meeting is set for Friday, September 13, 2024.

Links to Key Resources

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