



# Illinois Police Officers' Pension Investment Fund

All agenda materials are for the information of the reader in advance of the noticed meeting.

Discussion and formal action, if any, on any agenda item will be taken by the IPOPIF Board of Trustees at the public meeting.

## Board of Trustees Meeting- December 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, December 13, 2024, at 10:00 AM at the Pere Marquette Hotel, LaSalle Ballroom, 501 Main Street, Peoria, IL 61602.

Members of the public who wish to observe/participate in the meeting may do so (1) from the IPOPIF meeting room or (2) via the live stream on the Zoom video conferencing platform (information below) from any location. 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: 889 3402 9057

Passcode: 874795

Join Zoom Meeting via Dial-In:

Dial In: (312) 626-6799

Meeting ID: 889 3402 9057

Passcode: 874795

December 13, 2024 10:00 AM Central Time (US and Canada)

### Agenda Topic

1. Call to Order (10:00 AM)
2. Roll Call
  - 2.1 Roll Call: Discussion and Potential Action
3. Board of Trustees
  - 3.1 Board of Trustees Recognition of Trustee Elizabeth Holleb: Discussion and Potential Action
  - 3.2 Annual Comprehensive Financial Report FY 2024: Discussion and Potential Action
  - 3.3 Financial and Operational Policies Review: Discussion and Potential Action
  - 3.4 Board of Trustees Meeting Minutes - October 18, 2024: Discussion and Potential Action
  - 3.5 Board of Trustees Closed Session Minutes - June 14, 2024; July 19, 2024; September 13, 2024: Discussion and Potential Action
  - 3.6 Board of Trustees and Committee Meeting Schedule: Discussion and Potential Action

4. Administration and Operations
  - 4.1 [Governmental Liaison Report: Discussion and Potential Action](#)
  - 4.2 [Retainer Agreement - Jacobs, Burns, Orlove & Hernandez, LLP: Discussion and Potential Action](#)
  - 4.3 [Professional Services Agreement - Lake Forest Bank & Trust: Discussion and Potential Action](#)
  - 4.4 [IPOPIF Employee Handbook: Discussion and Potential Action](#)
  - 4.5 [Manager of External Affairs and Communication - Job Description: Discussion and Potential Action](#)
  - 4.6 [Administration and Operations Update: Discussion and Potential Action](#)
5. Finance
  - 5.1 [Monthly Financial Reports: Discussion and Potential Action](#)
    - 5.1.1 Monthly Financial Statement - October 2024: Discussion and Potential Action
  - 5.2 Warrants: Discussion and Potential Action
    - 5.2.1 [Warrant # 2025-05: Discussion and Potential Action](#)
    - 5.2.2 [Warrant # 2025 - 06: Discussion and Potential Action](#)
  - 5.3 [Finance and Accounting Update: Discussion and Potential Action](#)
6. Lunch Break
7. Investments
  - 7.1 [Investment Custodian Review: Discussion and Potential Action](#)
  - 7.2 [Private Credit Interviews and Manager Selection: Discussion and Potential Action](#)
  - 7.3 [Verus Quarterly Report - 3Q2024: Discussion and Potential Action](#)
  - 7.4 [Investment Update: Discussion and Potential Action](#)
  - 7.5 [Investment Manager Database Subscription Renewal: Discussion and Potential Action](#)
  - 7.6 [Private Markets Consultant Search 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 per 5 ILCS 120/2\(c\)\(21\).](#)
12. Adjournment



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOP BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: AGENDA ITEM: ROLL CALL  
DATE: DECEMBER 13, 2024

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**RECOMMENDATION:** Motion to allow \_\_\_\_\_ to participate in the December 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: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: TRUSTEE ELIZABETH HOLLEB – RECOGNITION OF SERVICE

DATE: DECEMBER 13, 2024

**RECOMMENDATION:** Receive presentation and recognize Trustee Elizabeth Holleb for her service to the Illinois Police Officers' Pension Investment Fund as an appointed and elected member of the Board of Trustees.

### **DISCUSSION:**

Elizabeth Holleb is a Certified Public Accountant and has over 20 years of work experience in municipal finance, including the Government Finance Officers Association, the Village of Northbrook, the Village of Oak Park and the City of Highland Park. Currently, she oversees the Finance and Information Technology activities for the City of Lake Forest, including development of the annual budget, coordination of the annual independent financial audit, serving as staff liaison to the Finance Committee and the Audit Committee, and administration of a five-year IT Master Plan which guides the City's technology initiatives.

Trustee Holleb has a Bachelor of Science in Accounting from Ball State University where she was a Cum Laude graduate of the Honors College.

On January 30, 2020, Governor JB Pritzker appointed the **IPOPIF Transition Board of Trustees** consisting of nine members in accordance with 40 ILCS 5/22B-115. Elizabeth Holleb was appointed to the Transition Board of Trustees with a term of office January 2020 through December 2020.

In 2020, Elizabeth Holleb was elected to the first **IPOPIF Permanent Board of Trustees** representing municipalities with a term of office January 2021 through December 2024. Trustee Holleb did not seek re-election to the Board of Trustees for an additional term.

December 13, 2024, will be the final meeting of the term for Trustee Holleb. The Illinois Police Officers' Pension Investment Fund, the Board of Trustees, the executive team and staff, service providers and stakeholders appreciate the service of Trustee Holleb and wish her well in her future endeavors.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

TO: Board of Trustees  
FROM: Richard White, Executive Director  
Regina Tuczak, Chief Financial Officer  
RE: Agenda Item 3.2 – Annual Comprehensive Financial Report FY 2024  
DATE: December 13, 2024

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**RECOMMENDATION:** Approve the annual comprehensive financial report as of and for the year ended June 30, 2024.

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In accordance with the Pension Code (40 ILCS 5/22B-125):

At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. The audit opinion shall be published as a part of the annual report of the Fund, which shall be submitted to the transferor pension funds and to the Department of Insurance.

Fund staff prepared the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024, which includes the financial statements as of and for the years ended June 30, 2024, and 2023. Also included in the ACFR is an Introductory Section, an Investment Section, and a Statistical Section. A final draft of the ACFR is included in the materials provided.<sup>1</sup>

In summary, the Fund's financial statements reflect the composition of the Fund's investment portfolio of approximately \$10.5 billion<sup>2</sup> as of June 30, 2024, disclosures required for the investment portfolio, and all other significant financial activity relevant to the Fund's operations. Updates to the financial statement disclosures in fiscal year 2024 include information applicable to the investment products associated with the three investment managers hired for the International Small Cap allocation and the two investment managers hired for the Bank Loans allocation; the litigation footnote includes the decision of the Illinois Supreme Court on January 19, 2024; and a subsequent event footnote has been added to disclose the Tranche 14 transfer of approximately \$1.6 billion of investment assets.

Sikich CPA LLC (Sikich) was engaged to perform the audit of the Fund's financial statements as of and for the year ended June 30, 2024. In addition to their audit opinion included in the ACFR,



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

generally accepted auditing standards require certain matters be communicated to those charged with governance at the conclusion of the audit. A final draft of the document that communicates these required matters has been prepared by Sikich and is included in the materials provided. Brian LeFevre, Principal, from Sikich will attend the Board meeting to review this document and the ACFR with the Board.

Note that the documents are in final draft form and are pending any feedback, comments or changes requested by the Board of Trustees. Should the Board approve the ACFR draft, IPOP staff will provide a management representative letter to Sikich, and the reports will be published.

<sup>1</sup> A final read of the ACFR for grammatical, punctuation, and clerical errors is pending and will be completed by December 13, 2024.

<sup>2</sup> Includes \$97 million in cash and cash equivalents.



# Illinois Police Officers' Pension Investment Fund

## Annual Comprehensive Financial Report



For the Years Ended  
June 30, 2024 and 2023



# Illinois Police Officers' Pension Investment Fund

## Annual Comprehensive Financial Report

For the Years Ended June 30, 2024 and 2023

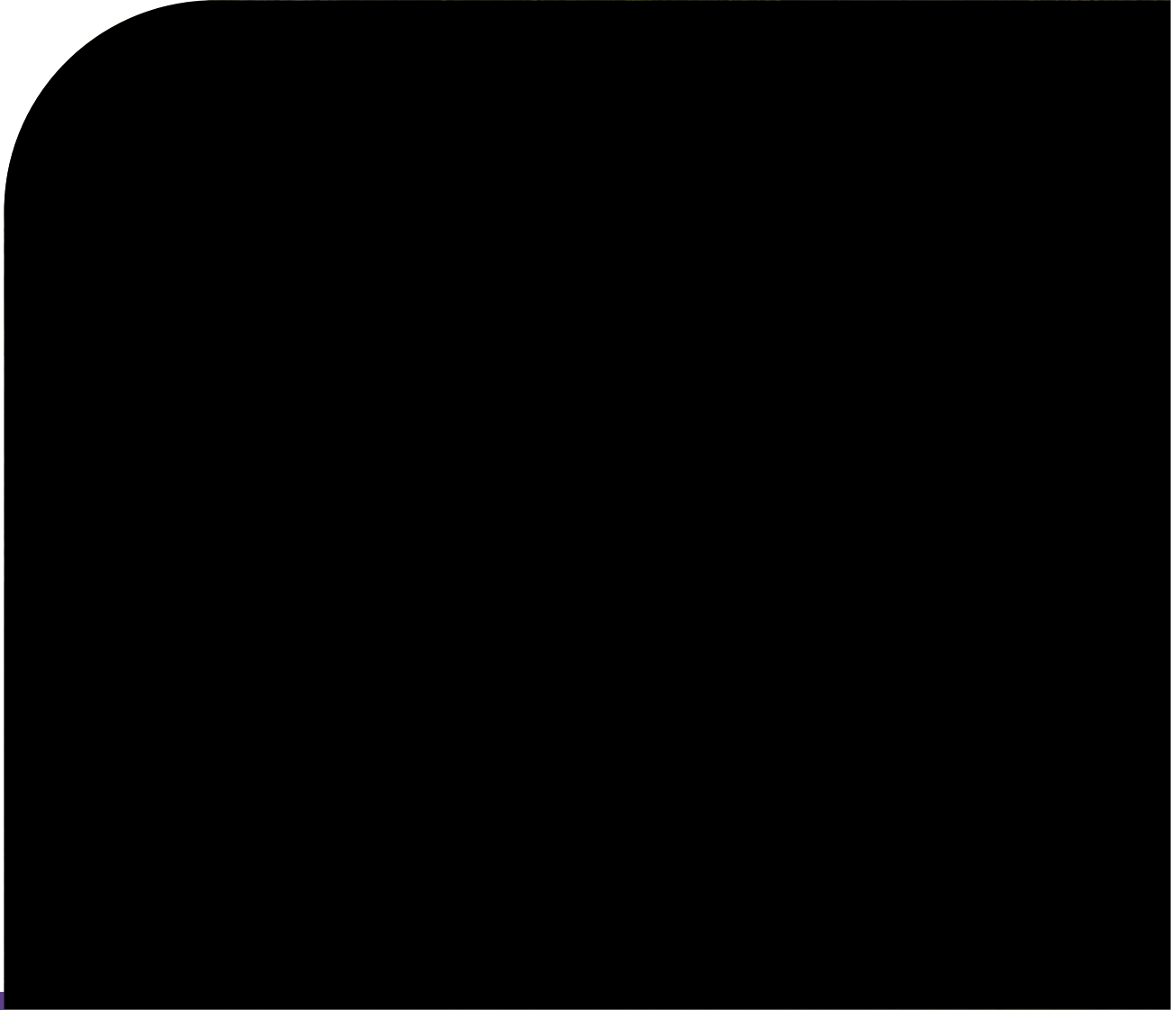


Prepared by the staff of the Illinois Police Officers'  
Pension Investment Fund

Cover photo by Mike Zarnek

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## Introductory Section

## Vision, Mission and Core Values

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



### VISION:

To be a high performing and trusted provider of institutional investment services to our members, beneficiaries, employers, and taxpayers.



### MISSION:

Build and maintain the long-term stability of the investment fund to enable our partners to meet financial obligations and fund pension benefits for participants and beneficiaries.



### CORE VALUES:

- Accountability
- Stewardship
- Excellence
- Trust
- Respect



# Illinois Police Officers’ Pension Investment Fund Members of the Board of Trustees

June 30, 2024

**Scott Bowers**, Trustee

Police Officer, Peoria Police Department

**Lee Catavu**, Trustee and Board Secretary

Sergeant, Aurora Police Department

**Brad Cole**, Trustee

Executive Director, Illinois Municipal League

**Elizabeth Holleb**, Trustee

Director of Finance, City of Lake Forest

**Daniel Hopkins**, Trustee

Retired Police Officer, Collinsville Police Department

**Michael Inman**, Trustee

Mayor, City of Macomb

**Mark Poulos**, Trustee and Board Treasurer

Retired Police Lieutenant, Rock Island Police Department

**Phil Suess**, Trustee and Board Chairperson

Mayor, City of Wheaton

**Paul Swanlund**, Trustee and Board Vice Chairperson

Detective, Bloomington Police Department



**From left to right:** Paul Swanlund, Lee Catavu, Scott Bowers, Phil Suess, Daniel Hopkins, Mark Poulos, Brad Cole, Michael Inman

**Not pictured:** Elizabeth Holleb

## Administrative Staff

**Richard A. White, Jr.**

Executive Director

**Kent F. Custer**

Chief Investment Officer

**Regina Tuczak**

Assistant Executive Director/Chief Financial Officer

**Greg Turk**

Deputy Chief Investment Officer

**Amy Zick**

Senior Accountant

**Steve Yoon**

Investment Officer

**Barb Meyer**

Investment Officer

**Kate Cobb**

Administrative Analyst

**Samantha Lambert**

Administrative Analyst

**Joseph Miller**

Information Technologist



**From left to right:** Barbara Meyer, Samantha Lambert, Amy Zick, Steve Yoon, Richard White, Kent Custer, Greg Turk, Regina Tuczak, Joseph Miller, Katherine Cobb

# List of Professional Consultants and Service Providers

As of June 30, 2024

## **Accounting and Human Resources Support Services**

Lauterbach & Amen, LLP

## **Actuarial Services**

Foster & Foster

## **Banking Services**

Lake Forest Bank & Trust Company

## **Certified Public Accountants**

Sikich CPA LLC

## **Communication Consulting Services**

Shepherd Public Relations, LLC

## **Commercial Insurance Broker**

Cook Castles Associates, LLC.

## **Election Services**

Survey and Ballot Systems

## **Employee Benefits**

Assured Partners

Employee Benefits Corporation

TransAmerica

## **Fiduciary Legal Counsel**

Jacobs, Burns, Orlove & Hernandez, LLP

## **General Legal Counsel Services**

Reimer Dobrovolny & LaBardi, PC

## **Government Liaison Services**

Vision M.A.I. Consulting

## **Information Technology Services**

Levi, Ray & Shoup, Inc.

Pension Technology Group

## **Investment Custodian Services**

State Street Bank & Trust

## **Investment Consulting Services**

Verus Advisory, Inc.

## **Investment Management Services**

Acadian Asset Management

Ares Management

Aristotle Pacific Capital

LSV Asset Management

Principal Life Insurance Company

Rhumblin Advisors Limited Partnership

State Street Global Advisors

WCM Investment Management

## **Office Services**

Accounting CS Professional Suite

ADP, Inc.

AmeriCall

AT&T

Central Illinois Security

CityBlue Technologies, LLC

Comcast

Confidential Security Corporation

Diligent

Lincoln Office

Next Request

ODP Business Solutions

The Cleaning Source

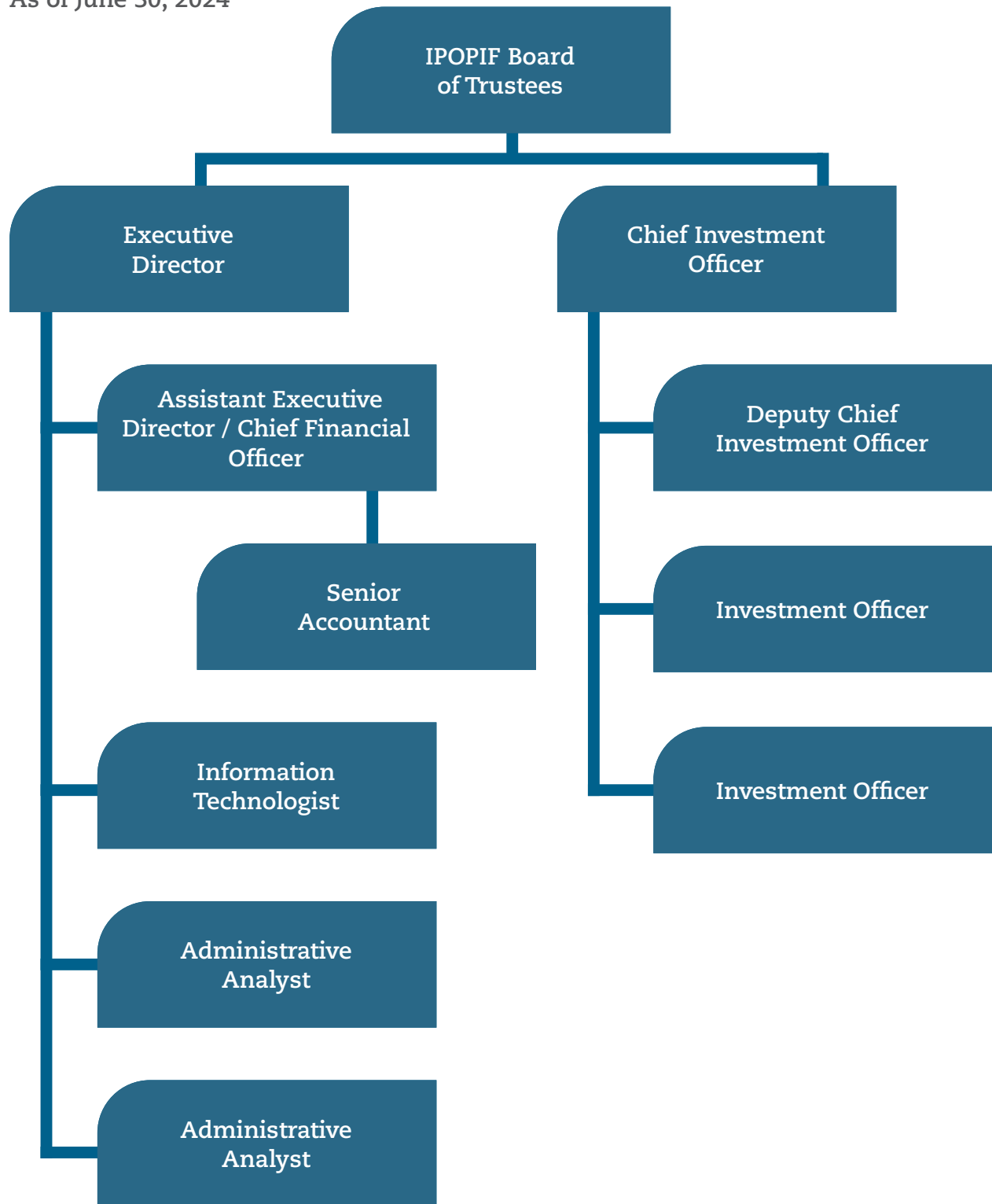
## **Printing and/or Design Services**

Tamayo Design, Inc.



# Organizational Chart

As of June 30, 2024







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



# Letter of Transmittal

December XX, 2024

Board of Trustees  
Illinois Police Officers' Pension Investment Fund  
456 Fulton Street, Suite 402  
Peoria, IL 61602

Dear Board Trustees,

I am pleased to present the Annual Comprehensive Financial Report of the Illinois Police Officers' Pension Investment Fund (the Fund or IPOPIF) as of and for the years ended June 30, 2024, and 2023. The information contained in this report is intended to provide a detailed overview of the Fund's financial and investment results for the fiscal years ended June 30, 2024, and 2023.

In accordance with 40 ILCS 5/22B-125, at least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board.

To the best of my knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and changes in financial position of the Fund in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America, by a firm of licensed certified public accountants.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with Fund Management, and shall be based on a comprehensive framework of internal controls that is established for this purpose.

Because the cost of control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. Management is responsible for maintaining a system of adequate internal accounting controls designed to maintain accountability of assets and to permit preparation of financial statements in accordance with GAAP.

I believe the internal controls in effect during this fiscal period ended June 30, 2024, adequately safeguard the Fund's assets, and provide reasonable assurance regarding the proper recording of financial transactions. All disclosures necessary to enable the reader to gain an understanding of the Fund's financial activities have been included.

## Board Members

### Scott Bowers

*Participant Representative*  
Peoria, IL

### Lee Catavu

*Participant Representative*  
Aurora, IL

### Paul Swanlund

*Participant Representative*  
Bloomington, IL

### Daniel Hopkins

*Beneficiary Representative*  
Collinsville, IL

### Mark Poulos

*Beneficiary Representative*  
Rock Island, IL

### Elizabeth Holleb

*Municipal Representative*  
Lake Forest, IL

### Michael Inman

*Municipal Representative*  
Macomb, IL

### Phil Suess

*Municipal Representative*  
Wheaton, IL

### Brad Cole

*Illinois Municipal League  
Representative*  
Carbondale, IL



Sikich CPA LLC, Independent Certified Public Accountants, has issued an unmodified opinion on the Fund's financial statements for the fiscal period ended June 30, 2024. Sikich LLP, Independent Certified Public Accountants, issued an unmodified opinion on the Fund's financial statements for the fiscal period ended June 30, 2023. The Independent Auditors' Report is located at the front of the Financial Section of the report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Fund's MD&A can be found immediately following the report of the independent auditors.

## Introduction

Effective January 1, 2020, Public Act 101-0610 amended the Illinois Pension Code and provided for the mandatory consolidation of the investment assets of the downstate and suburban public safety pension funds into two investment pools, one for police officers (known as Article 3 Funds) and one for firefighters (known as Article 4 funds).

The law created the Illinois Police Officers' Pension Investment Fund (the Fund) that is responsible for the consolidation of the investment assets of the 357 Article 3 police pension funds and vests the Fund's Board of Trustees with the authority to "manage the reserves, funds, assets, securities, properties and monies" of the approximately \$9.5 billion in pension fund assets, the estimated value at inception of the Fund.

The law does not take away the local funds' exclusive authority to award disability benefits, retirement benefits and survivor benefits and stipulates that the assets and liabilities of local pension funds will remain under the ownership of each local pension board. The pension fund assets are combined for investment purposes only with the express purpose of eliminating unnecessary and redundant administrative costs, thereby ensuring more money is available to fund pension benefits for the beneficiaries of the Article 3 pension funds. The pension fund assets of the participating pension funds cannot be accessed by the state and are to be maintained in accounts held outside the state treasury.

The investment fund is governed by an independently elected and autonomous board of trustees that is charged with the operation and administration of the Fund. As provided for under the statute, the trustees of the Fund shall:

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



## Major Initiatives and Significant Events

### Board of Trustees:

The IPOPIF is governed by an independent and autonomous Board of Trustees. The Trustees of the IPOPIF are fiduciaries and will discharge their duties with integrity and solely in the best interest for the participants and beneficiaries of the Article 3 participating funds. The members of the Board of Trustees, as of June 30, 2024, are:

- a.** Three members representing municipalities who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities:
  - i.** Elizabeth Holleb, Municipal Representative, Director of Finance, City of Lake Forest
  - ii.** Michael Inman, Municipal Representative, Mayor, City of Macomb
  - iii.** Phil Suess, Chairperson, Municipal Representative, Mayor, City of Wheaton
- b.** Three members representing participants and who are participants:
  - i.** Lee Catavu, Secretary, Participant Representative, Sergeant, Aurora Police Department
  - ii.** Paul Swanlund, Vice Chairperson, Participant Representative, Detective, Bloomington Police Department
  - iii.** Scott Bowers, Participant Representative, Police Officer, Peoria Police Department
- c.** Two members representing beneficiaries and who are beneficiaries:
  - i.** Daniel Hopkins, Beneficiary Representative, Retired Officer, Collinsville Police Department
  - ii.** Mark Poulos, Treasurer, Beneficiary Representative, Retired Lieutenant, Rock Island Police Department
- d.** One member who is a representative of the Illinois Municipal League:
  - i.** Brad Cole, Illinois Municipal League Representative, Executive Director of the Illinois Municipal League, City of Carbondale

### Meetings of the Board of Trustees

The Board of Trustees held nine Board meetings during this fiscal year period. The Board of Trustees scheduled quarterly meetings of the Audit and Budget Committee, Contract Committee, Education Committee, Governance Committee, Legislative Committee, and Litigation Committee during this fiscal year period. Meetings of the Board of Trustees and Committees were conducted as in-person meetings, in accordance with the Open Meetings Act and were available via the Zoom digital platform.

### Administration of the Fund

As of June 30, 2024, the Fund had an approved staffing level of thirteen full-time employees with ten full-time employees on staff at the Fund.

With the addition of full-time staff in the fiscal year, several significant functions performed by service providers in prior fiscal years were assumed by staff. These functions included accounting and financial services, information technology support, and plan administrative services. To assist in the successful transition of these services to internal staff, appropriate computer software, hardware and other essential infrastructure purchases were made and are included as administrative expenses within the statements of changes in fiduciary net position.

### Budget

The Board of Trustees approves the Fund's annual budget, following the statutory requirements. The Board of Trustees adopted the budget on June 9, 2023, for the 2024 Fiscal Year in the amount of \$5,993,733; and adopted a revised budget on March 8, 2024, in the amount of \$6,257,681.

## Investments

During the fiscal year, the Investment Policy Statement was revised to reflect allocation changes within the Growth, Income and Risk Mitigation Asset Classes. In addition, two requests for proposals were initiated and completed for investment managers in the Growth and Income Asset Classes. Based on the work performed by the Fund's investment staff and Investment Consultant on these searches, the Board of Trustees hired five new investment managers. At their December 15, 2023, meeting, the Board of Trustees hired Acadian Asset Management, LSV Asset Management, and WCM Investment Management to actively manage a 5.0% allocation to the International Small Cap portfolio. At their February 9, 2024, meeting, the Board of Trustees hired Ares Management and Aristotle Pacific Capital to actively manage a 3.0% allocation to Bank Loans.

During the fiscal year ending June 30, 2024, the Fund's investment portfolio earned \$61.8 million of interest and dividend income and \$1,050 million of net appreciation in the fair value of investments. The Fund's Growth Asset class portfolio, consisting of equity securities, benefited significantly from strong returns as the upward trend for risk assets late in calendar year 2023 continued into the first six months of calendar year 2024. Steady declines in inflation and persistent economic growth, met with some loosening of the labor market, brought economic conditions closer to normal pre-pandemic conditions. Reflective of these economic conditions, the Fund's Income and Risk Mitigation Asset class portfolios, consisting primarily of credit and fixed income securities, made meaningful contributions to the Fund's investment performance. All asset classes except real estate experienced positive returns with the Fund earning a net money weighted rate of return of 11.8% in fiscal year 2023, as compared to its policy benchmark of 12.0% and the broad benchmark of 13.1%, which reflect a higher equity exposure than the Fund's investment allocation.

## Litigation

A legal challenge to the constitutionality of Public Act 101-0610 (the Public Act) commenced on February 23, 2021, which alleged that Public Act 101-0610 violated the Pension Protection Clause and the Takings Clause of the Illinois Constitution. On May 25, 2022, the Circuit Court of the Sixteenth Judicial Circuit, Kane County, issued a written order finding that Public Act 101-0610 does not violate the Illinois Constitution. On February 7, 2023, the Appellate Court issued an opinion affirming the Circuit Court's order. On January 19, 2024, the Illinois Supreme Court affirmed the judgement of the Appellate Court, thereby affirming the Circuit Court's order and upholding the constitutionality of Public Act 101-0610.

## Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fund for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the first year that the Fund has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government or government agency must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgements

Thank you to the staff and professional consultants who worked under the leadership of the Board of Trustees to prepare the fiscal year 2024 financial statements, and the production of this report. We also thank all of those who work with and on behalf of the Fund throughout the year in many different capacities to assist the Fund perform all statutory responsibilities and serve the membership with dedication and distinction.

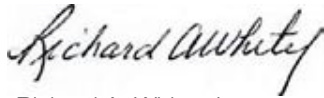
## Request for Information

This financial report is designed to provide the Fund Board of Trustees, our membership, taxpayers, and stakeholders with a general overview of the Fund's finances. Questions concerning any of the information in this report or requests for additional information should be addressed to:

Illinois Police Officers' Pension Investment Fund  
456 Fulton Street, Suite 402  
Peoria, IL. 61602

**Email:** [info@ipopif.org](mailto:info@ipopif.org)

Respectfully submitted,



Richard A. White, Jr.  
Executive Director



## Financial Section

## Auditor's Opinion

“We are submitting to you the following draft of your financial statements to expedite your review. As stated in our engagement letter with you, the fair presentation of the financial statements is your responsibility. This draft, or elements within should not be shared with any external parties, nor should any inference be made to any parties that no material adjustments or material disclosure modifications are expected before these statements are submitted as final.”

Preliminary and Tentative  
For Discussion Purposes Only

### INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman  
Members of the Board of Trustees  
Illinois Police Officers' Pension Investment Fund  
Peoria, Illinois

#### Opinions

We have audited the financial statements of the Illinois Police Officers' Pension Investment Fund (the Fund) as of June 30, 2024, and the related notes to financial statements, which collectively comprise the basic financial statements as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Illinois Police Officers' Pension Investment Fund as of June 30, 2024, and the changes in fiduciary net position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

#### Prior Period Financial Statements

The financial statements of the Fund as of June 30, 2024 were audited by Sikich LLP, whose report dated December 15, 2023, expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



Preliminary and Tentative  
For Discussion Purposes Only

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Preliminary and Tentative  
For Discussion Purposes Only

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The audit as of and for the period ended June 30, 2023, was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Fund's basic financial statements. The supplemental information as of and for the year-end June 30, 2023, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements by Sikich LLP and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In the opinion of Sikich LLP, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Preliminary and Tentative  
For Discussion Purposes Only

*Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, investment section, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Naperville, Illinois  
REPORT DATE, 2024

## Management Discussion and Analysis (Unaudited)

Management is pleased to provide this discussion and analysis for the financial activities of the Illinois Police Officers' Pension Investment Fund (the Fund) for the periods ended June 30, 2024, 2023, and 2022. Readers should review the information presented here in conjunction with the additional information provided in the letter of transmittal. This correspondence is intended to serve as an introduction to the Fund's basic financial statements and notes to the financial statements. The Annual Comprehensive Financial Report (ACFR) also contains other information in addition to the basic financial statements.

The Fund was created on December 18, 2019, when Illinois Governor JB Pritzker signed into law Article 22(B) within Chapter 40, Article 5 of the Illinois Compiled Statutes (ILCS). The law, Public Act 101-0610, provided for the mandatory consolidation of the investment assets of the state's public safety pension funds into two investment funds one for police officers (ILCS Article 3) and one for firefighters (ILCS Article 4). Furthermore, this law empowered the Fund's Board of Trustees to "manage the reserves, funds, assets, securities, properties and monies" which was initially estimated to represent approximately \$9.5 billion in pension assets once all assets are fully transferred.

At the December 9, 2022, Board meeting, 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. As of December 31, 2022, 328 ILCS Article 3 Funds had transferred their investment assets to the Fund, with investment transfers that totaled approximately \$8.56 billion. Four additional ILCS Article 3 Funds transferred assets to the Fund as of June 30, 2023, with investment transfers of approximately \$35 million. One additional ILCS Article 3 Fund transferred assets to the Fund in August of 2023, with an investment transfer of approximately \$13 million.

The Board of Trustees continues to accommodate transfers of assets from ILCS Article 3 Funds that have not yet transferred their investments to the Fund.

### Overview of Financial Statements and Accompanying Information

This discussion and analysis are intended to serve as an overview to the Fund's financial reporting which is comprised of the following components:

- 1. Basic Financial Statements:** This information presents the plan net position held in trust for pool participants for the Fund as of June 30, 2024, and 2023. This financial information also summarizes the changes in plan net position held in trust for pool participants for the fiscal periods then ended.
- 2. Notes to Basic Financial Statements:** The notes to the financial statements provide additional information that is essential to achieve a full understanding of the data provided in the basic financial statements.
- 3. Required Supplementary Information:** The required supplementary information provides information on the employer's contribution to the pension plan and changes in the employer's net pension liability and related ratios.
- 4. Supplementary Information:** The supplementary information provides a Detailed Schedule of Administrative Expenses – Budget Amounts and Actual Incurred. As the Fund grows in assets and activities, more information will be provided in this section.
- 5. Investment Section:** The Investment section of the report provides information pertaining to the Fund's investment activities for the fiscal period. As the Fund increases its allocations to active investment management, more information will be provided in this section.
- 6. Statistical Section:** The Statistical section of the report is included to provide additional historical trend information to review the Fund's past financial performance. Additionally, this section includes helpful Demographic and Economic information for context compared to the Fund's information.

## Financial Highlights

The basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB). Information is presented for all audited time periods ended June 30, 2024, 2023, and 2022. Information presented and discussed below is designed to focus on events of the most current year while providing explanations of changes from the prior reporting periods.

## Fiduciary Net Position

The Statement of Fiduciary Net Position is presented for the Fund as of June 30, 2024, and 2023, and the financial statements reflect the resources available as of these dates.

A summary of the Fund's Statements of Fiduciary Net Position as of June 30, 2024, 2023 and 2022 is presented below:

	2024	2023	2022
Cash and Investments	\$ 10,535,442,749	\$ 9,383,770,015	\$ 2,723,869,176
Receivables	3,745,762	3,759,564	19,784,668
	10,539,188,511	9,387,529,579	2,743,653,844
Other Assets — Net IMRF Pension Asset	—	7,426	—
<b>Total Assets</b>	<b>10,539,188,511</b>	<b>9,387,537,005</b>	<b>2,743,653,844</b>
Deferred Outflows of Resources	801,936	80,309	—
Accounts Payable & Accrued Payroll	1,603,075	1,021,294	1,401,774
IFA Loan Payable (including Capitalized Interest)	—	—	7,503,635
Net IMRF Pension Liability	801,012	—	—
Total Liabilities	2,404,087	1,021,294	8,905,409
Deferred Inflows of Resources	7,625	—	—
<b>Net Position Held in Trust for Pool Participants</b>	<b>\$ 10,537,578,735</b>	<b>\$ 9,386,596,020</b>	<b>\$ 2,734,748,435</b>

As of June 30, 2022, the Fund had received and reconciled investment assets from 119 Article 3 Police Pension Funds (Participating Pension Funds). As of June 30, 2023, investment assets from 332 Participating Pension Funds had been received and reconciled, representing approximately \$8.60 billion of assets transferred.

As of June 30, 2024, investment assets from 333 Participating Pension Funds had been received and reconciled, representing approximately \$8.61 billion of transferred assets. The increase in cash and investments from June 30, 2023, to 2024, is primarily due to investment performance with net investment income of \$1.11 billion earned during the twelve months ended June 30, 2024.

On December 17, 2021, the Board of Trustees of the Fund adopted an Investment Policy Statement that provided for a short-term and a long-term asset allocation. The short-term allocation accommodated the initial transition of investment assets from Participating Pension Funds and the subsequent buildout of diversified strategies. Since adoption, the Investment Policy Statement has been revised several times, most recently on April 12, 2024, as the Board of Trustees continues to transition the portfolio towards the long-term asset allocation.

During the fiscal year ending June 30, 2023, the Investment Policy Statement was revised to transfer 8% of the portfolio from the Risk Mitigation Asset Class to the Growth Asset Class, which increased public equity allocations in US Large Cap and International Developed, and reduced allocations to Cash, Short-Term Government Credit, and Core Fixed Income.

During the fiscal year ending June 30, 2024, the Investment Policy Statement was revised to reflect allocation changes within the Growth, Income and Risk Mitigation Asset Classes. Within the Growth Class, a 1% allocation increase to International Developed was offset by a 1% reduction to Emerging Market Equity. Within the Income Class, a 3% allocation was made to Bank Loans which was offset by a 3% reduction to High Yield Corporate Credit. Within the Risk Mitigation Class, a 3% allocation was made to US Treasuries which was offset by a 3% reduction to Short-Term Government Credit.

As of June 30, 2023, the Fund's portfolio was primarily invested in commingled index funds that are retirement pooled funds and common trust funds that are passively managed and seek investment returns that approximate as closely as practicable the performance of a specific benchmark. During the year ending June 30, 2024, the Board of Trustees hired three investment managers to actively manage an allocation to International Small Cap and two investment managers to actively manage an allocation to Bank Loans. These portfolios were \$.52 and \$.31 billion, respectively, at June 30, 2024.

Receivables as of June 30, 2023, consist of \$3.7 million of interest and dividend income earned but not yet paid. As of June 30, 2024, receivables consist of \$3.2 million of interest and dividend income earned but not yet paid and \$.5 million of investment securities sold but not yet settled. The increase in receivables due to investments sold but not yet settled is due to three investment trades that transacted prior to June 30, 2024, but had not yet settled.

Prior to the transfer of investment assets from Participating Pension Funds, the only statutorily provided source of funding for the administration and operations of the Fund was a loan agreement with the Illinois Finance Authority (IFA), which provided for up to \$7.5 million of loan distributions. At June 30, 2022, the Fund had drawn all of the allotted \$7.5 million available, and approximately \$3.8 million of these loan distributions were held in cash equivalents as of June 30, 2022. All loan principal and interest was repaid to the IFA on April 3, 2023.

At the July 8, 2022, Board meeting, the Trustees approved staff participation in the Illinois Municipal Retirement Plan (IMRF), an agent multiple-employer public employee retirement system. Participation was effective September 1, 2022. Accordingly, the Fund included deferred outflows related to pensions and a Net IMRF Pension Asset in the June 30, 2023, financial statements based on the actuarial valuation as of December 31, 2022, which reflects activity and enrollments as of December 31, 2022, and for the four months from September 1 to December 31, 2022.

The Fund included deferred outflows and deferred inflows related to pensions and a net IMRF Pension Liability in the June 30, 2024, financial statements based on the actuarial valuation as of December 31, 2023, which reflects a full twelve months of activity and enrollments as of December 31, 2023.

As of June 30, 2024, and 2023, the Fund had accrued expenses of \$1.6 and \$1.0 million, respectively. The additional accrual is due to increased investment manager fees associated with the firms hired by the Board of Trustees to actively manage the International Developed Small Cap portfolio.

## Statement of Changes in Fiduciary Net Position

The Statement of Changes in Fiduciary Net Position is presented for the years ended June 30, 2024, and 2023. The financial statements reflect the changes in the resources available to invest as of June 30, 2024, and 2023.

A summary of the Fund's Statements of Changes in Fiduciary Net Position for the years ended June 30, 2024, 2023, and 2022, is presented below:

	2024	2023	2022
<b>Additions</b>			
Cash and Investments Transferred from Member Funds	\$ 555,244,950	\$ 6,182,414,834	\$ 2,867,186,760
Investment Income (Loss)	1,112,616,510	641,885,924	(127,315,926)
Investment-Related Expenses	(2,992,322)	(2,500,909)	(1,375,257)
<b>Total Additions</b>	<b>1,664,869,138</b>	<b>6,821,799,849</b>	<b>2,738,495,577</b>
<b>Deductions</b>			
Administrative Expenses Board of Trustees	\$ 88,684	\$ 75,150	\$ 69,407
Administrative Operations	1,953,016	2,366,515	1,498,749
Investment Operations	878,387	1,149,284	1,053,805
<b>Total Administrative Expenses</b>	<b>2,920,087</b>	<b>3,590,949</b>	<b>2,621,961</b>
Member Fund Withdrawals	510,966,336	166,361,315	—
<b>Total Deductions</b>	<b>513,886,423</b>	<b>169,952,264</b>	<b>2,621,961</b>
<b>Total Net Change</b>	<b>1,150,982,715</b>	<b>6,651,847,585</b>	<b>2,735,873,616</b>
Beginning of Period	9,386,596,020	2,734,748,435	(1,125,181)
Net Position Held in Trust for Pool Participants			
<b>End of Period</b>	<b>\$ 10,537,578,735</b>	<b>\$ 9,386,596,020</b>	<b>\$ 2,734,748,435</b>

## Additions

For the twelve months ending June 30, 2024, and 2023, there were 1 and 214, respectively, Participating Pension Funds that transferred investment assets to the Fund, with market values of \$13 and \$5,725 million, respectively.

In accordance with the Fund's cash management policy PP-2022-01, Participating Pension Funds may contribute cash to the Fund's custodial account with State Street Bank & Trust Company (State Street Bank) on any day the custodian is open for business. During the fiscal years ending June 30, 2024, and 2023, Participating Funds contributed approximately \$542 and \$456 million, respectively, of cash to the Fund through approximately 1,749 and 870 transactions.

During the fiscal year ending June 30, 2023, the Fund's investment portfolio earned \$62.0 million of interest and dividend income and \$580 million of net appreciation in the fair value of investment assets. The challenging market environment of fiscal year 2022 continued into the early months of fiscal year 2023, however, market conditions improved at the end of calendar year 2022, with strong economic growth. Momentum continued into the first six months of 2023, with inflation gradually declining, a strong labor market and the first rate pause from the Federal Reserve. The market recovery was felt across the Fund's investment portfolio with all allocations experiencing positive returns in the last six months of the fiscal year. The Fund had a net money weighted rate of return of 8.9% in fiscal year 2023, which was consistent with its policy benchmark of 8.8%, but underperformed its broad benchmark of 11.0%, which reflected a higher equity exposure than the Fund's investment allocation.

During the fiscal year ending June 30, 2024, the Fund's investment portfolio earned \$61.8 million of interest and dividend income and \$1,050 million of net appreciation in the fair value of investments. The Fund's Growth Asset class portfolio, consisting of equity securities, benefited significantly from strong returns as the upward trend for risk assets late in calendar year 2023 continued into the first six months of calendar year 2024. Steady declines in inflation and persistent economic growth, met with some loosening of the labor market, brought economic conditions closer to normal pre-pandemic conditions. Reflective of these economic conditions, the Fund's Income and Risk Mitigation Asset class portfolios, consisting primarily of credit and fixed income securities, made meaningful contributions to the Fund's investment performance. All asset classes except real estate experienced positive returns with the Fund earning a net money weighted rate of return of 11.8% in fiscal year 2023, as compared to its policy benchmark of 12.0% and the broad benchmark of 13.1%, which reflects a higher equity exposure than the Fund's investment allocation.

## Deductions

In accordance with the Fund's cash management policy, Participating Pension Funds may withdraw cash from the Fund's custodial account with State Street Bank to meet the needs of administering Article 3 Police Pension Fund requirements. Cash withdrawal requests shall be submitted at least seven calendar days prior to the requested transfer date, and Participating Pension Funds shall initiate withdrawals using the cash management portal maintained by the custodian. The first withdrawals from Participating Pension Funds occurred in July of 2022 and have significantly increased in volume and dollar amount throughout the last two fiscal years. Cash withdrawal transactions were \$511 and \$166 million, in fiscal years 2024, and 2023, respectively, representing 2,113 and 747 transactions, respectively.

The Fund's administrative expenses in fiscal years 2024 and 2023, were \$2.9 and \$3.6 million, respectively. Administrative expenses in fiscal year 2023 included \$1.5 million of professional service fees to complete 6 Tranches of investment asset transfers from Article 3 Pension Funds, as required by the Illinois Pension Code 40 ILCS/5 Article 22(B). There were no professional service fees associated with transfers of investment assets in fiscal year 2024.

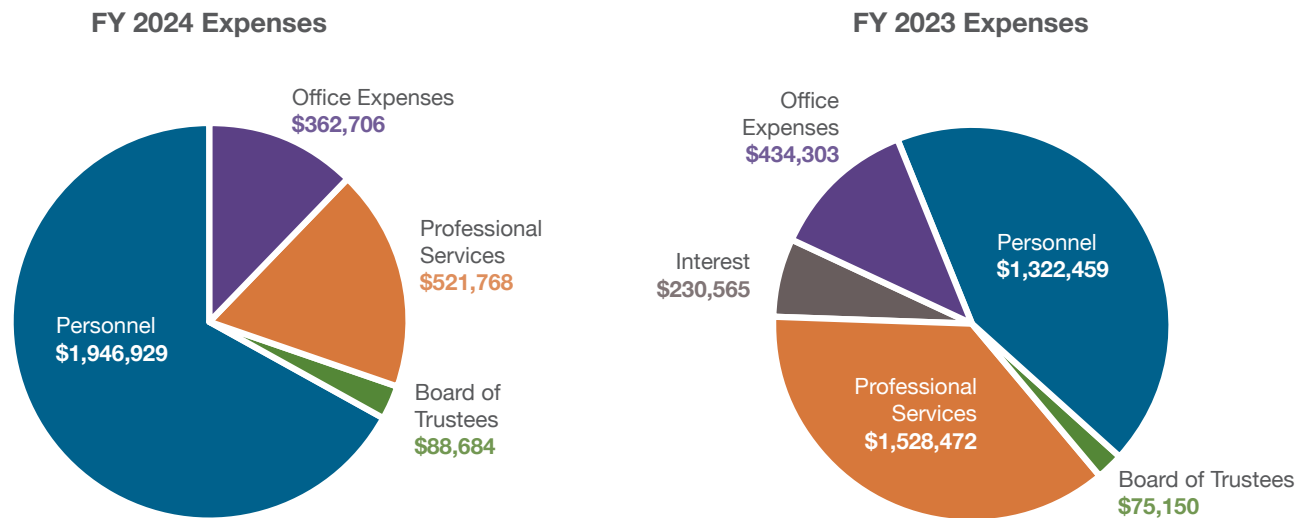
As of June 30, 2024, and 2023, there were 10 and 7 full-time employees of the Fund, respectively. The increase in full-time staff, which assumed some responsibilities previously performed by professional service providers such as information technology support and finance and accounting services, contributed to the increase in personnel costs of \$.63 million during fiscal year 2024.



With an investment portfolio that increased from \$9,384 to \$10,535 million during fiscal year 2024, investment related expenses increased from \$2.5 million to \$3.0 million from fiscal year 2023 to fiscal year 2024. With the conclusion of the transition period on December 31, 2022, transition management fees were \$.8 million in fiscal year 2023, and \$0 in fiscal year 2024. Investment manager fees were \$2.1 million and \$.8 million in fiscal years 2024, and 2023, respectively. The increased investment manager fees reflect the higher investment values in fiscal year 2024, and the hiring of investment firms by the Board of Trustees to actively manage the International Small Cap portfolio. Fees directly paid to the new managers were approximately \$.9 million during fiscal year 2024.

Investment-related expenses are presented as a reduction of investment performance income (loss) and include custodian expenses, investment manager expenses, investment consultant fees, and transition management services. All other administrative expenses are presented in three categories consisting of Board of Trustees Expense, Investment Operations Expense and Administrative Operations Expense.

Further depiction of the Fund’s total administrative expenses for each of the periods ending June 30, 2024, and 2023, is presented below:



### Future Outlook

A legal challenge to the constitutionality of Public Act 101-0610 (the Public Act) commenced on February 23, 2021, which alleged that Public Act 101-0610 violated the Pension Protection Clause and the Takings Clause of the Illinois Constitution. On May 25, 2022, the Circuit Court of the Sixteenth Judicial Circuit, Kane County, issued a written order finding that Public Act 101-0610 does not violate the Illinois Constitution. On February 7, 2023, the Appellate Court issued an opinion affirming the Circuit Court’s order. On January 19, 2024, the Illinois Supreme Court affirmed the judgement of the Appellate Court, thereby affirming the Circuit Court’s order and upholding the constitutionality of Public Act 101-0610. With the final ruling by the Illinois Supreme Court, the Fund completed for one final transition of investment assets from ILCS Article 3 Funds on October 1, 2024. Approximately \$1.6 billion of investment assets were transferred from 18 ILCS Article 3 Funds.

With all investment transfers complete, the Board of Trustees, with guidance from Fund staff and professional service providers, continues to take prudent steps in the ongoing development and implementation of the investment fund for the benefit of all their participants.



## Basic Financial Statements

## Statement of Fiduciary Net Position

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and Cash Equivalents	\$ 97,018,403	\$ 290,938,476
Investments, at Fair Value		
U.S. Equities	2,769,943,386	2,321,474,614
U.S. Fixed Income	311,929,658	270,711,086
Commingled Funds, Equity	3,411,617,043	2,597,155,647
Commingled Funds, Fixed Income	3,361,636,651	3,374,118,609
Real Estate	583,297,608	529,371,583
<b>Total Investments, at Fair Value</b>	<b>10,438,424,346</b>	<b>9,092,831,539</b>
Receivables		
Accrued Investment Income	3,202,218	3,759,564
Investments Sold	543,544	—
<b>Total Receivables</b>	<b>3,745,762</b>	<b>3,759,564</b>
Other Assets — Net IMRF Pension Asset	—	7,426
<b>Total Assets</b>	<b>10,539,188,511</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>		
Accrued Expenses	1,603,075	1,021,294
Net IMRF Pension Liability	801,012	—
<b>Total Liabilities</b>	<b>2,404,087</b>	<b>1,021,294</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to IMRF Pension	7,625	—
<b>Net Position Held In Trust for Pool Participants</b>		
	<b>\$10,537,578,735</b>	<b>\$9,386,596,020</b>

See accompanying notes to financial statements.

## Statement of Changes in Fiduciary Net Position

For the Years Ended June 30, 2024, and 2023

	2024	2023
<b>Additions</b>		
<b>Contributions</b>		
Member Fund Cash Transfers	542,144,531	456,489,074
Member Fund Investment Transfers	\$ 13,100,419	\$ 5,725,925,760
Total Contributions	555,244,950	6,182,414,834
<b>Investment Income</b>		
Interest Income and Dividend Income	61,782,203	62,030,821
Net Appreciation (Depreciation) in Fair Value of Investments	1,050,834,307	579,855,103
Total Investment Income (Loss)	1,112,616,510	641,885,924
Less Investment Expenses	(2,992,322)	(2,500,909)
Net Investment Income (Loss)	1,109,624,188	639,385,015
<b>Total Additions</b>	<b>1,664,869,138</b>	<b>6,821,799,849</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees	88,684	75,150
Administrative Operations	1,953,016	2,366,515
Investment Operations	878,387	1,149,284
Total Administrative Expenses	2,920,087	3,590,949
<b>Member Fund Withdrawals</b>	<b>510,966,336</b>	<b>166,361,315</b>
Total Deductions	513,886,423	169,952,264
<b>Net Increase</b>	<b>1,150,982,715</b>	<b>6,651,847,585</b>
<b>Net Position Held In Trust for Pool Participants</b>		
July 1	9,386,596,020	2,734,748,435
June 30	\$ 10,537,578,735	\$ 9,386,596,020

See accompanying notes to financial statements.

# Notes to Financial Statements

June 30, 2024 and 2023

## 1. Summary of Significant Accounting Policies

The financial statements of the Illinois Police Officers' Pension Investment Fund (the Fund) have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

### A. Reporting Entity

The Fund was established by legislative act of the Illinois General Assembly, P.A. 101-610, which took effect on January 1, 2020. The Fund is defined as an investment trust fund and an external investment pool. The Fund is not a component unit of any other government. The Fund is responsible for investing the assets of the 357 suburban and downstate police officer pension funds. A nine member Board of Trustees governs the Fund and is made up of three active police officers elected by participants of participating pension plans, two retired police officers elected by beneficiaries of participating pension plans, three executive municipal members elected by mayors, presidents, chief executive officers, chief financial officers, or other officers, executives or department heads of municipalities of participating pension funds, and one member recommended by the Illinois Municipal League appointed by the Governor with the advice and consent of the Senate. The Board of Trustees are fiduciaries for the participants and beneficiaries of the participating pension funds and discharge their duties solely in the interest of the fund participants and beneficiaries.

### B. Fund Accounting

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). When investments are held for other entities, an investment trust fund is used.

### C. Measurement Focus and Basis of Accounting

The Fund is accounted for with a flow of economic resources measurement focus. With this measurement focus, all assets, deferred inflows of resources, liabilities and deferred outflows of resources associated with the operation of this fund are included on the statement of fiduciary net position. Investment trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in net position.

The accrual basis of accounting is utilized by the investment trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time the liabilities are incurred.

### D. Investments

Investment trust funds are required to report investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment transactions are accounted for on a trade date (date ordered to buy or sell is initiated) and dividend income is recognized on the ex-dividend date. Interest income is recognized on an accrual basis.

For commingled funds and real estate investments, fair value is determined using the net asset value stated by the commingled fund manager as of June 30, with each commingled fund subject to annual audit.

**E. Participating Fund Contributions and Withdrawals**

The Fund's Cash Management Policy originally approved by the Board of Trustees on January 14, 2022, and most recently amended on April 14, 2023, establishes the framework and procedures for cash contributions and withdrawals by participating pension funds.

Subsequent to a participating pension fund's (Participating Fund) transfer of investment assets to the Fund, a Participating Fund may withdraw cash or deposit contributions through use of a web-based application maintained by the Fund's custodian, State Street Bank & Trust Company (the Custodian).

Participating Funds may request withdrawals or contribute cash on any day the Fund's custodian is open for business. Multiple transactions can be entered up to 13 months in advance. Cash withdrawal requests are to be submitted at least seven calendar days prior to the requested transfer date to ensure availability, although the Fund may, in its sole discretion, process a cash withdrawal request with fewer than seven calendar days.

Contributions received by the Custodian will be invested on the same day if feasible or on the next business day. In general, funds received prior to 10:00am are invested on the day of receipt. Participating Funds shall provide notification of contributions using the portal or by email.

**H. Compensated Absences**

It is the policy of the Fund to permit employees to accumulate earned but unused paid time off in accordance with the terms of the Fund's Employee Handbook. Accumulated paid time off is recorded as an expense and liability as the benefits accrue to employees.

**F. Long-Term Obligations**

In the Fund's financial statements, long-term debt and other long-term obligations are reported as liabilities.

**G. Deferred Outflows/Inflows of Resources**

The Statements of Fiduciary Net Position, in addition to assets, includes a separate item for the deferred outflows of resources, which represents a consumption of net assets that applies to future periods and as such, they will not be recognized as an outflow of resources (deduction) until then. In addition to liabilities, the Statements of Fiduciary Net Position includes a separate item for deferred inflows of resources, which represents an acquisition of net assets that applies to future periods and as such, will not be recognized as an inflow of resources (addition) until that time. These deferred outflows and inflows of resources relate to the Fund's participation in the Illinois Municipal Retirement Fund.

**G. Estimates**

The preparation of financial statements in conformity with GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

## 2. Deposits and Investments

The Fund is authorized to invest in all investments allowed by the Illinois Compiled Statutes.

The Board of Trustees has adopted an Investment Policy Statement that provides objectives, guidelines, procedures and performance standards for the investment of the assets of the Fund.

In making investment decisions, all fiduciaries to the Fund shall conduct their responsibilities with the care, skill, prudence, and diligence under the circumstances then prevailing which a prudent person familiar with these matters and acting in a like capacity would use in the conduct of an activity of like character and purpose. Fiduciaries, their employees, agents, and designees shall discharge their duties with respect to the Fund solely in the interest of the participants and beneficiaries of the Fund.

All investments shall be clearly held and accounted for to indicate ownership by the Fund. The Fund may direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a national or state bank or trust company authorized to conduct a trust business in the State of Illinois.

### A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund holds cash deposits of \$116,689, and \$105,553 with Lake Forest Bank & Trust Company NA (Lake Forest Bank) and \$60,777 and \$0, with State Street Bank & Trust Company (SSBT) as of June 30, 2024, and June 30, 2023, respectively. The Fund does not have a policy to specifically address custodial credit risk for deposits. However, in addition to the \$250,000 of insurance provided by the Federal Deposit Insurance Corporation (FDIC) on the Fund's cash deposits, balances held at Lake Forest Bank are subject to an additional \$250,000 of insurance with the FDIC through a MaxSafe Deposit Account Program. Cash deposits in excess of \$500,000 held with Lake Forest Bank are fully collateralized subject to a collateralized deposit agreement between Lake Forest Bank and the Fund effective December 1, 2020. The Fund did not maintain any deposits in excess of \$500,000 with Lake Forest Bank for the year ended June 30, 2024.

Cash deposits with SSBT are swept daily into a money market investment vehicle managed by an affiliate of SSBT, which is invested in U.S. Treasury obligations.

### B. Investments

#### *Investment Rate of Return*

For the year ended June 30, 2024, the Fund's investments returned 11.8%, net of fees paid but not accrued, using monthly cash flows and dollar-weighted calculation methodology.

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

#### *Fair Value Measurement*

The fund categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs using the best information available.

For the year ended June 30, 2024, the Fund had the following recurring fair value measurements:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
U.S. Equities	\$ 2,769,906,304	\$ —	\$ 37,082	\$ 2,769,943,386
U.S. Fixed Income	—	311,929,658	—	311,929,658
Commingled Funds, Equity	241,265,459	—	—	241,265,459
<b>Total Investments by Fair Value Level</b>	<b>\$ 3,011,171,763</b>	<b>\$ 311,929,658</b>	<b>\$ 37,082</b>	<b>\$ 3,323,138,503</b>
Investments Measured at Net Asset Value				
Commingled Funds, Equity				3,170,351,584
Commingled Funds, Fixed Income				3,361,636,651
Real Estate Funds				583,297,608
<b>Total Investments by Net Asset Value</b>				<b>7,115,285,843</b>
<b>Total Investments</b>				<b>\$ 10,438,424,346</b>

Valuation methodologies are as follows:

- U.S. Equities: end of day quoted prices from active exchanges;
- U.S. Fixed Income: quoted prices where available or active, observable trade information and parallels drawn from comparable securities where a quoted price is not available;
- Commingled Funds: End of day quoted prices from active exchanges where available or net asset value as determined by the investment manager;
- Money Market Funds: amortized cost which approximates fair value; and
- Real Estate: end of day quoted prices from active exchanges as applicable or net asset value for commingled funds as determined by the investment manager.



For the year ended June 30, 2023, the Fund had the following recurring fair value measurements:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
U.S. Equities	\$ 2,321,474,614	\$ —	\$ —	\$ 2,321,474,614
U.S. Fixed Income	—	270,711,086	—	270,711,086
Commingled Funds, Equity	4,629,773	—	—	4,629,773
Total Investments by Fair Value Level	\$ 2,326,104,387	\$ 270,711,086	\$ —	2,596,815,473
Investments Measured at Net Asset Value				
Commingled Funds, Equity				2,592,525,874
Commingled Funds, Fixed Income				3,374,118,609
Real Estate Funds				529,371,583
Total Investments by Net Asset Value				6,496,016,066
Total Investments				\$ 9,092,831,539

Valuation methodologies are as follows:

- U.S. Equities: end of day quoted prices from active exchanges;
- U.S. Fixed Income: quoted prices where available or active, observable trade information and parallels drawn from comparable securities where a quoted price is not available;
- Commingled Funds: End of day quoted prices from active exchanges where available or net asset value as determined by the investment manager;
- Money Market Funds: amortized cost which approximates fair value; and
- Real Estate: end of day quoted prices from active exchanges as applicable or net asset value for commingled funds as determined by the investment manager.

**Investments Measured at Net Asset Value**

The Fund holds shares of interests in commingled funds in which the fair value has been determined using the NAV per share (or equivalent) of the Fund's ownership interest in the partners' capital at the end of the period. The partners' capital is based upon the fair value of the underlying investments. At the year ended June 30, 2024, the fair value, unfunded commitments and redemption values of those investments is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Investments Measured at NAV				
Commingled Funds, Equity	\$ 2,653,068,018	\$ —	Daily	1 Day
International Developed and Emerging Markets	517,283,566	—	Daily, Monthly	10 – 30 Days
Commingled Funds, Fixed Income Corporate and Government Credit, Emerging Markets, High Yield, and US Treasury Obligations	3,054,849,201	—	Daily	1 Day
Bank Loans	306,787,450	—	Monthly	20 - 30 Days
Real Estate Funds				
Commingled Fund	425,437,445	—	Daily	1 Day
Group Annuity Contract	157,860,163	—	Monthly	7-30 Days
Total Investments Measured at NAV	\$ 7,115,285,843	\$ —		

At the year ended June 30, 2023, the fair value, unfunded commitments and redemption values of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Investments Measured at NAV				
Commingled Funds, Equity	\$ 2,592,525,874	\$ —	Daily	1 Day
Commingled Funds, Fixed Income	3,374,118,609	—	Daily	1 Day
Real Estate Funds				
Commingled Fund	356,432,029	—	Daily	1 Day
Group Annuity Contract	172,939,554	—	Monthly	7-30 Days
<b>Total Investments Measured at NAV</b>	<b>\$ 6,496,016,066</b>	<b>\$ —</b>		

Commingled funds (equity, fixed income and real estate) are valued at net asset value and generally do not have readily attainable market values.

The Fund invests in ten commingled index funds that are retirement pooled funds and common trust funds managed by State Street Global Advisors Trust Company (SSGA). Each of the commingled funds seeks an investment return that approximates as closely as practicable, before expenses, the performance of a specific benchmark. Seven of the commingled funds seek an investment return based on an equity index, three of the commingled funds seek an investment return based on a bond or yield index and one commingled fund seeks an investment return based on a Real Estate Investment Trust index.

The Fund invests in three commingled funds that are invested in international small cap securities that are managed by Acadian Asset Management LLC, LSV Asset Management and WCM Investment Management LLC. These actively managed commingled funds seek investment returns based on Non-US small cap equity benchmarks.

The Fund invests in two commingled funds that are invested in non-investment grade bank debt consisting primarily of senior secured loans and high yield bonds. The commingled funds are managed by Ares Management LLC and Pacific Asset Management LLC. These actively managed commingled funds seek investment returns benchmarked to the Credit Suisse Leveraged Loan Index.

Each of the commingled funds records a net asset value per unit (or equivalent), based on the net assets of the commingled fund. The net asset value of each commingled fund is determined each business day or monthly, based on the fair value of the underlying investments of each fund. Each commingled fund is subject to an annual audit of its financial statements. The value recorded in the financial statements reflects the value of the Fund's units or capital account held as of June 30, 2024, and 2023.

The Group Annuity contract is held with Principal Life Insurance Company and such funds are invested in the Principal U.S. Property Separate Account (the Account) managed by Principal Real Estate Investors, LLC. The focus of the Account is to pursue a private equity core investment strategy through active management of a portfolio of nationally diversified, income producing properties. The Account uses a unit value of recordkeeping in which the value at the valuation date is calculated by multiplying the number of units held by the applicable unit value. The unit value is determined each business day by the appraised market value of the portfolio less operating expenses accrued but not deducted. The Account is subject to an annual audit of its financial statements. The value recorded in the financial statements reflects the value of the Fund's units held as of June 30, 2024 and 2023. Redemptions of the Account may be limited to \$25,000,000 within a 90-day period in the event the portfolio manager determines such limit is necessary. On July 1, 2022, a withdrawal limitation to all investors was implemented. The limitation provides for pro-rata payment of outstanding withdrawal requests as cash becomes available for distribution, as determined by the portfolio manager.

### ***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Fund's investment policy addresses interest rate risk by establishing the Asset Allocation, Investment Manager Structure and Rebalancing Policy. Development of the asset allocation included scenario and stress testing portfolio sensitivity to changing interest rates. The Board initially adopted a short-term asset allocation specifically to mitigate interest rate and valuation risks. The investment policy establishes rebalancing thresholds and procedures to maintain the desired asset allocation. The Board of Trustees most recently approved a change to the interim asset allocation on April 12, 2024, reflective of the buildout of diversified strategies, including bank loans and US Treasuries, and as part of the process of gradually transitioning the investment portfolio towards a long-term strategic return-seeking allocation.

The investment policy also establishes investment manager monitoring and evaluation provisions to ensure that investment manager process and positioning does not introduce unexpected or uncompensated risks. The Fund is significantly invested in commingled funds that seek to mimic the investment characteristics of the associated index and not take active positions that might potentially increase interest rate risk. The Fund's investments in actively managed non-investment grade bank debt commingled funds are floating interest rate products and thus interest rate risk is minimized.

Duration is a risk metric that can be used to measure a debt investment's exposure to fair value changes arising from changing interest rates. Modified duration is the percentage change in price of a bond for a unit change in yield. It thus measures the price sensitivity of a bond to changing interest rates.

The table below provides the modified duration rate as of June 30, 2024, and 2023.

	2024		2023	
	Fair Value	Modified Duration Rate	Fair Value	Modified Duration Rate
U.S. Fixed Income				
U.S. Treasury Inflation Indexed Bonds	\$ 311,835,096	2.37	\$ 270,612,936	2.42
U.S. Fixed Income in transition pool	94,562	7.60	98,150	8.62
Total U.S. Fixed Income	<u>\$ 311,929,658</u>		<u>\$ 270,711,086</u>	
Other U.S. Fixed Income by security type				
U.S. Government and Federal Agency Obligations	45,314		44,524	
Municipal Bond Obligations	48,494		52,249	
Collateralized Mortgage Obligations	754		1,377	
Total Other U.S. Fixed Income by security type	<u>\$ 94,562</u>		<u>\$ 98,150</u>	

The Fund's investments in passively managed commingled funds that seek to mimic the investment characteristics of the associated index have effective durations that range from 6.63 to 1.85 as of June 30, 2024, and from 6.85 to 1.85 as of June 30, 2023.

#### **Credit Risk**

Credit risk is the risk that an issuer of a debt security will not pay its interest or principal as scheduled. The Fund's investment policy addresses credit risk by establishing the Asset Allocation, Investment Manager Structure and Rebalancing Policy. Development of the asset allocation included scenario and stress testing portfolio sensitivity to changing credit spreads (relative valuation to U.S. Treasury securities). The investment policy establishes rebalancing thresholds and procedures to maintain the desired asset allocation. The investment policy also establishes investment manager monitoring and evaluation provisions to ensure that investment manager process and positioning does not introduce unexpected or uncompensated risks. The Fund is significantly invested in index funds that seek to broadly diversify credit risk, mimic the investment characteristics of the associated index and not take active positions that might potentially increase credit risk.

As of June 30, 2024, the Fund's investments were rated as follows:

	Moody's Quality Rating	Total
U.S. Fixed Income	Aaa	\$ 311,883,615
	Not rated	46,043
Total U.S. Fixed Income		\$ 311,929,658

The Fund had an \$96,840,937 investment of in the State Street Institutional Treasury Money Market Fund as of June 30, 2024, which was rated AAAM by Standard & Poor's.

As of June 30, 2023, the Fund's investments were rated as follows:

	Moody's Quality Rating	Total
U.S. Fixed Income	Aaa	\$ 270,665,237
	Not rated	45,849
Total U.S. Fixed Income		\$ 270,711,086

The Fund had an investment of \$290,999,427 in the State Street Institutional Treasury Money Market Fund as of June 30, 2023, which was rated AAAM by Standard & Poor's.

#### ***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments and deposits. Although the Fund does not have a formal policy regarding foreign currency risk, the Fund does not invest directly in foreign currency or investments denominated in foreign currency. The Fund's foreign currency risk is thus limited to investments in commingled funds managed by external investment managers hired by the Board of Trustees. These funds are subject to investment guidelines and the non-U.S. funds seek an investment return that approximates the performance of the various non-U.S. market-weighted cap indices. Foreign currency risks are thus consistent with these index benchmarks.

As of June 30, 2024 and 2023, the Fund did not directly hold any foreign currency.

#### ***Custodial Credit Risk for Investments***

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. While the Fund does not have a policy which limits its exposure to custodial credit risk, as of years ending June 30, 2024 and 2023, there were no securities held by the counterparty or by its trust department or agent that were not in the Fund's name.

### ***Concentration of Credit Risk for Investments***

The Fund's portfolio is managed by professional investment management firms. Each investment manager must comply with risk management guidelines individually assigned to them as part of their investment management agreement. The Fund did not have any single issuer investment that exceeded 5% or more of the Fund's fiduciary net position or the investment portfolio at years ending June 30, 2024 and 2023. The State Street MSCI EAFE Index Non-Lending Fund of \$1,792,435,592; the State Street U.S. Short-Term Government/Credit Bond Index Non-Lending Fund of \$1,048,922,103; the State Street U.S. High Yield Bond Index Non-Lending QIB Common Trust Fund of \$727,292,077; and the State Street Emerging Markets Hard Currency Sovereign Bond Fund of \$625,225,679 represent greater than 5% of fiduciary net position at June 30, 2024. The Fund's investments in the State Street U.S. Short-Term Government/Credit Bond Index Non-Lending Fund of \$1,356,222,079; the State Street MSCI EAFE Index Non-Lending Fund of \$1,343,975,082; State Street U.S. High Yield Bond Index Non-Lending QIB Common Trust Fund of \$919,511,235; the State Street Daily MSCI Emerging Markets Index Fund of \$641,444,318; the State Street Emerging Markets Hard Currency Sovereign Bond Fund of \$552,950,477; and the State Street U.S. Aggregate Bond Index Non-Lending Fund of \$545,434,819 represent greater than 5% of fiduciary net position at June 30, 2023.

### ***Derivative Securities***

Fund investment managers may enter into financial futures derivative transactions in accordance with their guidelines. A futures contract is an agreement between two parties to buy or sell units of a particular index, security or commodity at a set price on a future date. Financial futures represent an off-balance sheet obligation as there are no balance sheet assets or liabilities associated with those contracts. The Fund's transition manager, State Street Global Markets, utilizes financial futures within the transition pool of assets that are being converted to the Fund's asset allocation, in order to obtain market exposure that matches as closely as possible, the Fund's target allocation. These contracts are exchanged-traded treasury and equity index futures. As of June 30, 2024, and 2023, there were no outstanding futures contracts. For the years ended June 30, 2024, and 2023, the Fund had a net realized gain of \$10,429 and a net realized loss of (\$4,280,413), respectively, from derivative transactions. These realized gains and losses are included in net appreciation (depreciation) of the fair value of investments for the respective year on the statement of changes in fiduciary position.

The Commingled Funds in which the Fund invests may engage in hedging and other derivative transactions including interest rate derivatives, credit derivatives, currency derivatives, and futures. These derivative transactions are consistent with the underlying agreements and investment objectives pertaining to the commingled funds. Realized or unrealized gains or losses from the derivative transactions of the commingled funds are included in the investment income earned by the Fund.

### ***Investment Management Fees***

Fees paid for investment management services that are charged directly to the Fund were \$2,143,162 and \$849,323, for the years ended June 30, 2024, and 2023, respectively. These fees are included in investment expenses on the Statements of Changes in Fiduciary Net Position. Fees for investment management services for some commingled funds are netted against the investment earnings of the respective investment vehicle and are included within the net appreciation (depreciation) of the fair value of investments on the Statements of Changes in Fiduciary Net Position. These fees were \$1,829,292 and \$1,289,648, for the years ended June 30, 2024, and 2023, respectively. All fees are charged in accordance with the respective investment manager agreement.

### 3. LONG-TERM OBLIGATIONS

#### A. Loan Agreement Payable

The Fund entered into a loan agreement to provide funds for the payment of ordinary and regular costs associated with the implementation of the transition process. The Closing Date of the loan was June 23, 2020. The Fund was authorized to borrow up to \$7,500,000 until the Final Draw Date, June 30, 2022. During the Capitalized Interest Period, which is defined as the period from the Closing Date to the Final Draw Date, the loan was subject to accrue capitalized interest monthly at a rate of 1.50% plus the Federal Funds Rate. Commencing on the first day after the Capitalized Interest Period until the Final Maturity Date, June 30, 2024, the Fund was to pay consecutive quarterly installments of principal and interest at an interest rate of 1.50% plus the Federal Funds Rate. The Loan was paid off during the year ended June 30, 2023.

As of June 30, 2023, the Fund's changes in the loan agreement payable were as follows:

	Balances			Balances	Due Within
	July 1	Additions	Reductions	June 30	One Year
Loan Agreement Payable	\$ 7,503,635	\$ -	\$ 7,503,635	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 7,503,635</b>	<b>\$ -</b>	<b>\$ 7,503,635</b>	<b>\$ -</b>	<b>\$ -</b>

#### 4. Leases

The Fund entered into a lease agreement for office space on October 1, 2021. The lease was most recently amended on February 10, 2023. The lease term began on October 1, 2021, and ends on September 30, 2027, with monthly payments of \$5,375. The fund has evaluated GASB Statement No. 87, Leases, and determined the effects to be immaterial to the financial statements. The following is a schedule of future minimum rental payments expected to be required under the terms of the intended lease as of June 30, 2024.

Fiscal Year Ending June 30	
2025	64,500
2026	64,500
2027	64,500
2028	16,125
Thereafter	-
<b>Total</b>	<b>\$ 209,625</b>

The following is a schedule of future minimum rental payments expected to be required under the terms of the intended lease as of June 30, 2023.

Fiscal Year Ending June 30	
2024	64,500
2025	64,500
2026	64,500
2027	64,500
Thereafter	16,125
<b>Total</b>	<b>\$ 274,125</b>



## 5. Defined Benefit Pension Plan

The Fund is a participating employer in the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, which provides eligible participants retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

The Fund began participation in IMRF effective September 1, 2022.

### ***Illinois Municipal Retirement Fund***

#### ***Plan Administration***

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required. Benefits and refunds are recognized as an expense and liability when due and payable.

#### ***Plan Membership***

At December 31, 2023, IMRF membership consisted of:

Retirees and beneficiaries	—
Inactive employees entitled to but not yet receiving benefits	2
Active employees	10
<b>Total</b>	<b>12</b>

At December 31, 2022, IMRF membership consisted of:

Retirees and beneficiaries	—
Inactive employees entitled to but not yet receiving benefits	—
Active employees	7
<b>Total</b>	<b>7</b>

#### ***Benefits Provided***

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. The Fund had four Tier 1 employees as of June 30, 2024.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. The Fund had six Tier 2 employees as of June 30, 2024.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

### **Contributions**

Participating members are required to contribute 4.5% of their annual covered salary to IMRF. The Fund is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rates for the fiscal years ended June 30, 2023 and 2024 was 8.44% and 6.01% respectively.

### **Actuarial Assumptions**

The Fund's net pension liability (asset) was measured as of dates in the below table and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2023	December 31, 2022
Actuarial cost method	Aggregate Entry-age normal	Aggregate Entry-age normal
Assumptions		
Price inflation	2.25%	2.25%
Salary increases	2.85% to 13.75% (includes price inflation)	2.85% to 13.75% (includes price inflation)
Investment rate of return	7.24%	7.25%
Asset valuation method	Market Value of Assets	Market Value of Assets

### **Mortality Assumption**

2023 – For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Disabled Retiree, Male and Female (both adjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

2022 - For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.24% and 7.25% at December 31, 2023 and December 31, 2022 respectively. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Fund's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

June 30, 2024

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) – (b) Net Pension Liability (Asset)
Balances at January 1, 2023	\$ 34,436	\$ 41,862	\$ (7,426)
Changes for the Period			
Service Cost	92,100	—	92,100
Interest	5,835	—	5,835
Difference Between Expected and Actual Experience	883,397	—	883,397
Assumption Changes	(9,242)	—	(9,242)
Employer Contributions	—	96,582	(96,582)
Employee Contributions	—	71,865	(71,865)
Net Investment Income	—	4,254	(4,254)
Benefit Payments and Refunds	—	—	—
Other (Net Transfer)	—	(9,049)	9,049
Net Changes	972,090	163,652	808,438
Balances at December 31, 2023	1,006,526	\$ 205,514	\$ 801,012

In 2023, the change in assumptions related to updates in the mortality assumptions.

June 30, 2023

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) – (b) Net Pension Liability (Asset)
Balances at January 1, 2022	\$ —	\$ —	\$ —
Changes for the Period			
Service Cost	—	—	—
Interest	—	—	—
Difference Between Expected and Actual Experience	34,436	—	34,436
Employer Contributions	—	30,032	(30,032)
Employee Contributions	—	16,013	(16,013)
Net Investment Income	—	—	—
Benefit Payments and Refunds	—	—	—
Other (Net Transfer)	—	(4,183)	4,183
Net Changes	34,436	41,862	(7,426)
Balances at December 31, 2022	34,436	\$ 41,862	\$ (7,426)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources***

For the year ended June 30, 2024, the Fund recognized pension expense (income) of \$186,743. At June 30, 2024, the Fund reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 752,027	\$ —
Changes in assumptions	—	7,625
Net difference between projected and actual earnings on pension plan investments	4,558	—
Employer contributions after the measurement date	45,351	—
<b>Total</b>	<b>\$ 801,936</b>	<b>\$ 7,625</b>

\$45,351 reported as deferred outflows of resources related to pensions resulting from Fund contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending June 30	
2025	\$ 159,798
2026	159,798
2027	159,800
2028	159,494
2029	110,070
Thereafter	—
<b>Total</b>	<b>\$ 748,960</b>

For the year ended June 30, 2023, the Fund recognized pension expense (income) of (\$9,548). At June 30, 2023, the Fund reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,830	—
Net difference between projected and actual earnings on pension plan investments	1,214	—
Employer contributions after the measurement date	50,265	—
<b>Total</b>	<b>\$ 80,309</b>	<b>—</b>

\$50,265 reported as deferred outflows of resources related to pensions resulting from Fund contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending June 30	
2024	\$ 5,909
2025	5,909
2026	5,909
2027	5,911
2028	5,606
Thereafter	800
<b>Total</b>	<b>\$ 30,044</b>

**Discount Rate Sensitivity****June 30, 2024**

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Fund calculated using the discount rate of 7.24% as well as what the Fund's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.24%) or 1 percentage point higher (8.24%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.24%	7.24%	8.24%
Net pension liability (asset)	\$ 970,791	\$ 801,012	\$ 666,974

**June 30, 2023**

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Fund calculated using the discount rate of 7.25% as well as what the Fund's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ (3,345)	\$ (7,426)	\$ (10,251)

**6. Other Postemployment Benefits****A. Plan Description**

In addition to providing the pension benefits described, the Fund provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Fund and can be modified at the sole discretion of the Board of Trustees at any time. The plan does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The activity of the plan is reported in the Fund's Statement of Fiduciary Net Position and Changes therein.

**B. Total OPEB Liability**

Based on the size of the Fund, the number of active plan members, the lack of any retirees participating in the plan and comparison of actuarial valuations for similar entities with similar benefits, the Fund's total OPEB liability as of June 30, 2023 and 2024, is immaterial and, therefore, not recorded by the Fund and no further disclosure is deemed necessary.

## 7. Litigation

On February 23, 2021, the Fund was named as a Defendant in a lawsuit filed in the Circuit Court of the Sixteenth Judicial Circuit, Kane County, Illinois captioned Arlington Heights Police Pension Fund, et al., v. Jay Robert “J.B.” Pritzker, Case No. 2021 CH 55. Plaintiffs alleged that Public Act 101-610, which created and established the Fund, violated the Pension Protection Clause and the Takings Clause of the Illinois Constitution. On May 25, 2022, the Circuit Court issued a written Order finding that Public Act 101-0610 does not violate the Illinois Constitution, granting Defendants’ Motion for Summary Judgment, and denying Plaintiffs’ Cross-Motion for Summary Judgment.

On June 1, 2022, Plaintiffs filed an Appeal with the Appellate Court of Illinois for the Second Judicial District, contending that the Circuit Court erred in granting summary judgment in favor of the Defendants. On February 7, 2023, the Appellate Court issued its opinion affirming the Circuit Court’s order and finding that Public Act 101-0610 does not violate the Pension Protection Clause or the Takings Clause of the Illinois Constitution.

On March 13, 2023, the Plaintiffs filed a Petition for Leave to Appeal with the Illinois Supreme Court, contending that the Appellate Court erred in finding that Public Act 101-610 does not violate the Illinois Constitution. On May 24, 2023, the Supreme Court granted the Petition. On January 19, 2024, the Illinois Supreme Court affirmed the judgment of the Appellate Court, thereby affirming the Circuit Court’s order granting summary judgment in Defendants’ favor and against Plaintiffs and upholding the constitutionality of Public Act 101-610.

## 8. Risk Management

The Fund is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent private insurance companies. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

## 9. Subsequent Events

With the decision of the Illinois Supreme Court affirming the constitutionality of Public Act 101-0610, the Fund continued the asset transition process with one final asset transfer date of October 1, 2024, for all Article 3 member funds that had not yet transferred investment assets. The final transfer was concluded in October of 2024 with all reconciliation receipts provided to the respective participating Article 3 member funds by October 31, 2024. Approximately \$1.6 billion in investments were transferred to the Fund in October of 2024.



## Required Supplementary Information



# Schedule of Employer Contributions

## Illinois Municipal Retirement Fund

Fiscal Year Ended June 30,	Last Fiscal Year	
	2024	2023
Actuarially Determined Contribution	\$ 92,307	\$ 80,198
Contributions in Relation to the Actuarially Determined Contribution	92,307	80,198
Contribution Deficiency (Excess)	\$ —	\$ —
Covered Payroll	\$ 1,454,231	\$ 927,402
Contributions as a Percentage of Covered Payroll	6.35%	8.65%

### Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows:

- The actuarial cost method was entry-age normal
- The amortization method was level percent of pay, closed
- The amortization period was ten-year rolling period
- The asset valuation method was five-year smoothed market

### Significant actuarial assumptions were:

- Investment rate of return of 7.25%
- Projected salary increases of 2.75% to 13.75% compounded
- Wage growth of 2.75%
- Price inflation of 2.25%

This schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for years available. The Fund began participation in the IMRF defined benefit plan as of September 1, 2022.

## Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

### Illinois Municipal Retirement Fund

Last Fiscal Calendar Year		
Measurement Date December 31,	2023	2022
<b>Total Pension Liability</b>		
Service Cost	\$ 92,100	\$ —
Interest	5,835	—
Differences Between Expected and Actual Experience	883,397	34,436
Assumption Changes	(9,242)	—
Net Change in Total Pension Liability	972,090	34,436
Total Pension Liability — Beginning	34,436	—
<b>Total Pension Liability — Ending</b>	<b>\$ 1,006,526</b>	<b>\$34,436</b>
<b>Plan Fiduciary Net Position</b>		
Contributions — Employer	\$ 96,582	\$ 30,032
Contributions — Member	71,865	16,013
Net Investment Income	4,254	—
Other (Net Transfer)	(9,049)	(4,183)
Net Change in Plan Fiduciary Net Position	163,652	41,862
Plan Fiduciary Net Position — Beginning	41,862	—
<b>Plan Fiduciary Net Position — Ending</b>	<b>\$ 205,514</b>	<b>\$ 41,862</b>
<b>Employer's Net Pension Liability (Asset)</b>	<b>\$ 801,012</b>	<b>\$ (7,426)</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	20.42%	121.56%
Covered Payroll	\$1,144,335	\$ 355,833
Employer's Net Pension Liability (Asset) as a Percentage of Covered Payroll	70.00%	(2.09%)

This schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for years available. The Fund began participating in the IMRF defined benefit plan as of September 1, 2022. In 2023, the change in assumptions related to updates in the mortality assumptions.



## Supplementary Information

## Detailed Schedule of Administrative Expenses

### Budget Amounts and Actual Incurred

For the Year Ended June 30, 2024 (with comparative actual for 2023)				
2024				
	Original Budget	Final Budget	Actual	2023 Actual
<b>Deductions — Administrative Expenses</b>				
<b>Board of Trustees</b>				
Administrative Services	\$ 59,400	\$ 3,200	\$ 3,200	\$ 51,500
Election Services	—	30,216	23,850	(6,366)
Education and Training	36,000	18,000	10,220	11,125
Meeting Expenses	55,000	45,500	41,183	16,797
Board Member Reimbursements	33,440	15,555	10,231	2,094
Municipal Reimbursements	11,900	10,457	—	—
<b>Total Board of Trustees</b>	<b>195,740</b>	<b>122,928</b>	<b>88,684</b>	<b>75,150</b>
<b>Administrative Operations</b>				
<b>Personnel</b>				
Administrative Personnel	860,088	799,975	806,405	529,272
FICA/Medicare	59,052	54,233	52,511	33,197
Medical/Dental Benefits	124,788	112,075	105,800	14,675
Unemployment	1,354	1,200	1,085	—
Retirement Benefits	53,570	47,077	46,477	36,753
<b>Total Personnel</b>	<b>1,098,852</b>	<b>1,014,560</b>	<b>1,012,278</b>	<b>613,897</b>
<b>Professional Services</b>				
Accounting	58,600	22,394	21,250	24,000
Audit — Financial	57,500	57,500	57,500	41,250
Audit — Certified Asset List	35,205	—	—	360,335
Chief Financial Officer	—	—	—	181,369
Agreed Upon Procedures – Article 3	—	84,000	—	—
Administrative Services	47,700	—	—	77,200
Government Liaison	68,400	68,400	68,400	62,700
Actuarial Services	183,500	188,855	188,210	187,350
Outsourced Human Resources	12,000	10,000	13,391	17,589
Legal Services — General	75,000	60,000	31,294	53,099
Legal Services — Fiduciary	125,000	121,000	54,304	70,687
Legal Services — Other	—	—	—	5,988
Technology Services	12,000	6,000	3,607	58,092
Other Consulting Services	21,250	37,998	25,398	8,400
Communication Services	18,000	18,000	18,000	24,000
<b>Total Professional Services</b>	<b>714,155</b>	<b>674,147</b>	<b>481,354</b>	<b>1,172,059</b>

## Detailed Schedule of Administrative Expenses

### Budget Amounts and Actual Incurred

For the Year Ended June 30, 2024 (with comparative actual for 2023)				
	2024			
	Original Budget	Final Budget	Actual	2022 Actual
<b>Bank Services and Fees</b>				
Local Bank Fees	4,500	2,500	2,242	3,426
Loan Interest Expense	—	—	—	230,565
<b>Total Bank Services and Fees</b>	<b>4,500</b>	<b>2,500</b>	<b>2,242</b>	<b>233,991</b>
<b>Services and Supplies</b>				
Assets under \$5,000	50,000	50,000	43,023	153,804
Insurance	107,017	106,906	106,386	84,418
Office Lease/Rent	64,500	64,500	64,500	48,375
Printing and Postage	34,000	20,000	18,231	7,759
Supplies and Maintenance	14,000	10,000	7,775	12,479
Telecommunication	17,000	15,000	15,963	15,182
Contingency	12,000	12,000	—	—
Dues/Licenses	78,586	78,586	74,794	65,623
Training and Education	12,000	6,000	5,303	135
Travel and Transportation	12,000	10,000	8,013	2,868
Utilities	8,000	7,000	4,869	5,821
Website	20,000	20,000	13,849	37,839
<b>Total Services and Supplies</b>	<b>429,103</b>	<b>399,992</b>	<b>362,706</b>	<b>434,303</b>
IMRF Pension Expense (Income)	—	—	94,436	(87,735)
<b>Total Administrative Operations</b>	<b>2,246,610</b>	<b>2,091,199</b>	<b>1,953,661</b>	<b>2,366,515</b>

## Detailed Schedule of Administrative Expenses

### Budget Amounts And Actual Incurred (Continued)

	2024			
	Original Budget	Final Budget	Actual	2022 Actual
<b>Investment Operations</b>				
<b>Personnel</b>				
Investment Operations Personnel	\$ 1,000,000	\$ 706,998	\$ 693,593	\$ 627,082
FICA/Medicare	63,344	42,163	40,657	36,341
Medical/Dental Benefits	105,542	64,552	60,859	59,794
Unemployment	790	640	525	—
Retirement Benefits	71,072	43,529	44,581	73,080
<b>Total Personnel</b>	<b>1,240,748</b>	<b>857,882</b>	<b>840,215</b>	<b>796,297</b>
<b>Investment and Banking</b>				
General Investment Consultant	427,500	427,500	427,500	427,500
Database Subscription(s)	38,135	38,172	38,172	37,050
Investment Management	1,385,000	2,260,000	2,143,162	849,323
Custodial Services	460,000	460,000	421,660	376,368
<b>Total Investment and Banking</b>	<b>2,310,635</b>	<b>3,185,672</b>	<b>3,030,494</b>	<b>1,690,241</b>
<b>Professional Services</b>				
Project Architect	—	—	—	28,175
Transition Management	—	—	—	847,718
Transition Consultant/Services	—	—	—	287,762
<b>Total Professional Services</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,163,655</b>
<b>Total Investment Operations</b>	<b>3,551,383</b>	<b>4,043,554</b>	<b>3,870,709</b>	<b>3,650,193</b>
<b>Less: Adjustments for GAAP Basis Presentation; Investment Expenses Deducted from Investment Income</b>				
General Investment Consultant	(427,500)	(427,500)	(427,500)	(427,500)
Investment Management	(1,385,000)	(2,260,000)	(2,143,162)	(849,323)
Custodial Services	(460,000)	(460,000)	(421,660)	(376,368)
Transition Management	—	—	—	(847,718)
Investment Expenses — GAAP Presentation	(2,272,500)	(3,147,500)	(2,992,322)	(2,500,909)
<b>Total Investment Operations</b>	<b>1,278,883</b>	<b>896,054</b>	<b>878,387</b>	<b>1,149,284</b>
<b>Total Administrative Expenses</b>	<b>\$3,721,233</b>	<b>\$3,110,181</b>	<b>\$2,920,087</b>	<b>\$3,590,949</b>

**Notes to Supplementary Information:** In accordance with the Illinois Compiled Statutes 40 ILCS 5/22B-118(e), the Board adopted the annual budget to support Fund operations and administration for the year ended June 30, 2024, at its meeting on June 9, 2023. The budget was adopted in accordance with the Board's Budget Administration Policy, PP-2021-01 (Budget Policy). Pursuant to the Budget Policy, the budget was amended with a reduction to total expenditures at the March 8, 2024, board meeting.



## Investment Section



October 15, 2024

Regina Tuczak, CPA  
Finance Director  
Assistant Executive Director  
Illinois Police Officers' Pension Investment Fund  
456 Fulton Street, Suite 402  
Peoria, IL 61602

Re: Certification Illinois Police Officers' Pension Investment Fund — 2024

Dear Ms. Tuczak,

State Street Bank and Trust Company as Custodian for Illinois Police Officers' Pension Investment Fund has provided detailed financial reports of all investments (including holdings with their fair market value), disbursements, purchase and sales and other transactions pertinent to the fund for the period of July 1, 2023, through June 30, 2024. State Street Bank and Trust Company certifies that the information is accurate and complete to the best of our knowledge and belief.

Furthermore, State Street Bank and Trust Company provided and will continue to provide the following services as Custodian:

- Receive and hold all amounts paid to the fund
- Accept and deliver securities in accordance with the instruction of appointed Investment Managers
- Collect dividends and registered interest payments
- Collect matured or called securities and coupons
- Provide Performance Reporting
- Invest cash balances held in the accounts in Short Term Investment Fund
- Exercise the rights of ownership in accordance with the pre-described jurisdiction of stock subscriptions and conversion rights
- Hold securities in the name of the Master Custodian or nominee form
- Employ agents with the consent of the Board of Trustees
- Provide disbursement and security fail float income
- In partnership with Northeast Retirement Services, provide Member Fund Accounting Statement
- On-line reporting
- On-line cash platform for Member funds to contribute and make withdrawals from the consolidated fund

Best regards,

A handwritten signature in black ink, appearing to read "Chris Bregoli".

Christopher Bregoli  
Vice President







November 15, 2024

Board of Trustees  
 Illinois Police Officers' Pension Investment Fund  
 456 Fulton Street, Suite 402  
 Peoria, Illinois 61602

Dear Trustees:

Verus is pleased to have had the opportunity to serve the Illinois Police Officer's Pension Investment Fund ("IPOPIF" or "the Fund") since May 2021 and to provide this investment review for the fiscal year ending June 30, 2024.

Verus independently calculated the Fund's fiscal year performance results utilizing a true time-weighted annualized rate of return methodology with daily cash flows and market values provided by the Fund's custodian bank, State Street Bank and Trust. For the fiscal year ended June 30, 2024, IPOPIF had an investment gain of 11.9% (net of investment management fees) and ended the fiscal year with total assets of approximately \$10.5 billion.

All IPOPIF's investments are managed in accordance with guidelines codified in IPOPIF's Investment Policy Statement. This Statement is reviewed annually to ensure best practices are employed in all aspects of our work and was last updated on April 12, 2024.

## Market Environment

### 2024 Summary

Risk assets delivered strong performance over the past year, with the first half of 2024 continuing the upward trend that closed out 2023. Expectations for a recession abated as economic growth proved resilient. The "soft landing" narrative was strengthened, as inflation slowed and the economy continued to grow. In more recent months, some economic data has shown signs of cooling, specifically in the labor market. However, it appears that much of this slowdown may be a return to normalcy that reflects pre-pandemic conditions, rather than a sign of a coming recession. Expectations for interest rate cuts were far more ambitious a year ago, but markets have now solidified expectations that the Federal Reserve will begin cutting interest rates before the end of the year, providing a potential tailwind to both equities and fixed income.

Risk assets outside the United States continued to lag. Developed economies largely experienced stagnation, as the Eurozone saw very low economic growth, the U.K. emerged from recession, and the Japanese economy actually contracted. Despite poor growth, falling inflation allowed the European Central Bank to cut interest rates in June, which helped lead to an increase in risk assets. In emerging economies, China concerns remain, with population decline and a tumbling housing market threatening future growth prospects. Two key emerging market countries outperformed most risk assets, however, as Taiwan continues to benefit from its exposure to semiconductors amid growing AI investment, and India has delivered strong economic growth across its economy.

### U.S. Equity

Domestic shares continued to build on the previous year's outperformance during the first half of 2024, beating both developed and emerging market equities. The S&P 500 index gained 24.6% over the past year as U.S. equities prove to be the best performing asset class. Concerns have bubbled up over increasing absolute and relative valuations, leading to some fears of a correction. However, domestic stocks continued to climb as investment in artificial intelligence (AI) boosted earnings expectations, and lower inflation has led to expectations for a handful of interest rate cuts, beginning in the fall.



Index concentration remains an important story in U.S. equity markets, with the S&P 500 Equal Weighted Index significantly lagging the flagship index, returning 11.8% over the last year. However, there was a split among the top performing “Magnificent Seven” stocks, with some companies significantly outperforming others. Nvidia is still the darling of the AI investment boom, returning 192.1% over the last year with earnings growth of 629%. While none of the other companies have matched the success of Nvidia, Meta (+76.1%), Google (+52.3%), Amazon (+48.2%) and Microsoft (+32.3%) all outperformed the index while delivering strong earnings growth. Apple (+9.2%) and Tesla (-24.4%) both lagged after reporting revenue declines in Q1.

These Magnificent Seven movements have had substantial implications on size and style investing, which have both seen significantly widening gaps from the previous year. Over the last year, Growth stocks returned 33.5%, significantly outperforming the 13.1% gain from Value stocks. Similarly, Small Cap stocks, represented by the Russell 2000 Index, returned just 10.1% over the last year, lagging the 23.9% gain posted by Large Cap stocks, as reflected in the Russell 1000 Index.

Investors will be watching earnings closely, especially those of technology companies that have gained due to rosy expectations around artificial intelligence. With forward valuations hovering around one standard deviation above the 10-year average, markets are pricing in double-digit earnings growth over the next several years.

## International Equity

International equities posted gains in the first half of 2024, although these markets were unable to match the remarkable performance of U.S. equities. Emerging markets, which benefitted from higher exposure to semiconductor stocks and a more growth-oriented set of companies slightly outperformed international developed shares. The MSCI EM Index has returned 12.5% over the last year, just over the 11.6% gain of the MSCI EAFE Index.

International developed shares performed reasonably well despite material weakness in the macroeconomic picture. Japanese equities, the largest country weight in the MSCI EAFE index, saw the strongest performance, with the TOPIX returning 12.7% in unhedged currency terms, and 32.5% in hedged currency terms. The Japanese Yen has declined 10.2% relative to the dollar over the past six months, which played a part in boosting exports that became cheaper with a weakening currency. High earnings growth, as well as the end of negative interest rate policy and deflation, provided a tailwind to Japanese equity markets over the last year. In Europe, falling inflation and an interest rate cut in June lifted an equity market that had otherwise been held back by low growth. In the past year, the Euro Stoxx 50 returned 12.0% in unhedged currency terms, and 16.3% in hedged currency terms.

Emerging market equities narrowly outperformed international developed equities, while lagging the United States, returning 12.5% in unhedged currency terms and 15.8% in hedged currency terms, over the last year. Technology exposure is responsible for much of the growth in emerging markets. Taiwan, the second-largest weight in the MSCI EM Index, holds a 70% weight in Information Technology. This provided a substantial tailwind, since the MSCI Taiwan Index returned 41.4% over the past year as TSMC (which alone makes up 50% of the MSCI Taiwan Index) is the world's largest manufacturer of semiconductors, producing chips for companies including Nvidia and Apple. India also performed well, with the MSCI India Index posting a 34.9% gain. India's economy has been growing at an average pace of 6-7% per year with policies supportive of economic growth and strong positioning within global supply chains.



## Fixed Income

Fed policy expectations continued to dominate risk-asset behavior over the past year. One year ago, markets were expecting four interest rate cuts by the end of 2024. A year earlier, the market expected four rate cuts to occur in the first half of 2024, with two more in the second half of the year. Instead, there have been no rate cuts, with just two or three priced in before the end of 2024. Interest rates staying higher for longer has been a headwind for long-duration assets over the past year (Bloomberg U.S. Treasury Long Index fell 5.6%), as the two-year yield moved from 4.90% to 4.77%, and the ten-year yield moved from 3.84% to 4.40%.

As of June, it had been 11 months since the Federal Reserve implemented its final interest rate hike. Comments made by FOMC members have suggested that higher interest rates have had a material impact on economic activity and have been effective at slowing inflation. With inflation down to 3.0% for CPI and 2.6% for Core PCE (the Fed's preferred inflation gauge), and cooling labor market numbers, investors are looking to the Fed's July meeting to guide rate cut expectations for September.

Core fixed income (Bloomberg U.S. Aggregate) has risen just 2.6% over the past year, as yield increases have outweighed the benefits of the higher rate environment. The shorter end of the curve fared much better than the long end, returning 4.5% throughout the same period. Investors were compensated by taking credit risk, as emerging market debt in hard currency terms (+9.2%), high yield (+10.4%), and Bank Loans (+11.1%) all provided excess returns to investors as spreads have contracted throughout much of the last year. Emerging market debt in local currency terms gained just 0.7%, the only major credit sub-index to underperform treasuries, which gained 5.5%.

Credit conditions have held up well over the past year, reflecting stable economic activity and expectations. Spreads continued to contract, with high-yield and investment grade option adjusted spreads moving from 390 bps to 309 bps and 123 bps to 94 bps, respectively. More recently, default activity has slowed to \$37B in default/distressed exchanges taking place in the first half of 2024, which was 14% lower than the same period last year. Eighty percent of that default activity has come from bank loans, which is the largest gap between the two asset classes in the last ten years. High yield default rates are down to 1.8%, materially lower than the long-term average of 3.4%.

## Outlook

The last year has been very strong for risk assets, as artificial intelligence investment led to a rally in mega cap technology companies, and broader fears of a recession began to flame out at the beginning of 2024. It's looking more and more likely that the Federal Reserve was successful in engineering a soft landing, something that has arguably only been done once before, in the mid-1990s. There are some signs of late cycle behavior, with high asset valuations, tight credit spreads, and fairly strong economic growth. However, falling inflation and a steepening yield curve as interest rates are cut are traditionally indicative of a trough in the business cycle. If some of these characteristics take place without a recession, it could give way for a "reset" to the beginning of a new cycle, where easing policy can create conditions for a period of sustained growth.

While growth has been resilient and there are expectations for interest rates cuts, both domestic equity and credit markets appear to be priced optimistically. Equity markets are priced for high earnings growth, which creates downside risk if AI-induced efficiency gains do not live up to expectations. There have also been signs of consumer weakness in lower-income segments, as many families are still struggling to adjust to higher price levels and have not seen commensurate gains in wages. Credit spreads are historically low, and a decrease in profitability among companies could result in some equity-like volatility should a broader contraction take place. Internationally, the Eurozone continues to face poor growth despite interest rate cuts, while poor demographic trends in China still weigh on investor sentiment. While investors have seen strong returns over the past fiscal year, material risks remain, and high valuations could potentially create an environment conducive to higher volatility and downside mean reversion.

**Written by Verus Advisory**



## Asset Allocation

The IPOPIF has adopted interim and long-term asset allocation targets. Interim targets are necessary to accommodate the initial IPOPIF transition and the subsequent buildout of diversified strategies, including private market investments. Interim targets and rebalancing ranges will be updated periodically, with Board approval, as new investments move the allocation toward the long-term targets.

The table below reflects the current allocation as of 2024 fiscal year-end, as well as the latest interim and long-term asset allocation targets.

Asset Class	IPOPIF Investment Pool Allocation*	Interim Target Allocation	Long-term Target Allocation
<b>Growth</b>	<b>58.7%</b>	<b>58.0%</b>	<b>65.0%</b>
US Large	23.7%	23.0%	23.0%
US Small	5.0%	5.0%	5.0%
International Developed	19.0%	19.0%	19.0%
International Developed Small	4.9%	5.0%	5.0%
Emerging Markets	6.2%	6.0%	6.0%
Private Equity	0.0%	0.0%	7.0%
<b>Income</b>	<b>15.7%</b>	<b>16.0%</b>	<b>14.0%</b>
High Yield Corporate Credit	6.9%	7.0%	3.0%
Emerging Market Debt	5.9%	6.0%	3.0%
Bank Loans	2.9%	3.0%	3.0%
Private Credit	0.0%	0.0%	5.0%
<b>Real Assets</b>	<b>5.5%</b>	<b>6.0%</b>	<b>8.0%</b>
REITS	4.0%	4.0%	0.0%
Real Estate	1.5%	2.0%	5.0%
Infrastructure	0.0%	0.0%	3.0%
<b>Risk Mitigation</b>	<b>20.0%</b>	<b>20.0%</b>	<b>13.0%</b>
Cash	0.9%	1.0%	1.0%
Short-term Gov/Credit	10.0%	10.0%	3.0%
US Treasury	3.0%	3.0%	3.0%
US TIPS	3.0%	3.0%	3.0%
Core Fixed Income	3.2%	3.0%	3.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* Totals may not sum to 100% due to rounding.



## Investment Objectives

As stated in the IPOPIF's Investment Policy, the Fund's primary investment objectives are as follows:

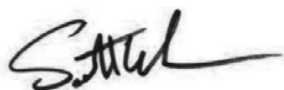
1. To ensure the assets of the Fund are invested with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would undertake.
2. To earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return, the return of the Broad Benchmark,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

Objective / Performance	1-Year	Annualized Since Inception (3/1/22)
Actuarial Assumed Rate of Return (Annualized)		6.8%
Broad Benchmark	13.1%	3.7%
Policy Benchmark	12.0%	4.0%
<b>Net-of-Fee Performance</b>	<b>11.9%</b>	<b>4.1%</b>

**Notes:** The Broad Benchmark represents 70% global stocks and 30% global bonds. The Policy Benchmark is a composite of the benchmark returns for underlying asset classes weighted by the Interim Target Allocation weights. Net-of-Fee Performance is calculated on a true time-weighted basis using daily cash flows and daily net asset values.

Verus greatly appreciates the opportunity we have been given to assist the IPOPIF Board of Trustees in meeting the Fund's investment objectives, and we look forward to continuing in our role of investment advisor and providing guidance to help navigate ever-changing capital market environments.

Sincerely,



Scott J. Whalen, CFA, CAIA  
Managing Director

## Investment Policy

The Fund was established by legislative act of the Illinois General Assembly, P.A. 101-610, which was effective on January 1, 2020. The Fund is defined as an investment trust fund and an external investment pool. The Fund is not a component unit of any other government. As cited in 40 ILCS 5/22B-101 of the Illinois Pension Code, the Fund is created with authority to manage the reserves, funds, assets, securities, properties, and moneys of the police pension funds created pursuant to Article 3 of the Illinois Pension Code. The Fund is governed by a nine-member Board of Trustees that is comprised of three active police officers elected by participants of participating pension plans, two beneficiaries elected by beneficiaries of participating pension plans, three executive municipal members elected by mayors, presidents and other executive members of municipalities of participating pension funds, and one member recommended by the Illinois Municipal League appointed by the Governor.

The Board of Trustees adopted an Investment Policy Statement on December 17, 2021, most recently revised on April 12, 2024, that formalizes the Fund's investment objectives, philosophy, policies, and structure, and defines the roles and responsibilities of various entities involved in the investment process. Investment information presented below is intended to be a summarization. For further information on the Fund's investment program, users should refer to the full Investment Policy Statement PP 2021-08 which is located on the Fund's website or available in hard copy upon request.

## Investment Objectives

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



# Investment Philosophy

An outline of the core beliefs and long-term acknowledgements that will guide the Fund's investment program is as follows.

1. A well-defined governance structure with clearly delineated responsibilities is critical in achieving consistent, long-term performance objectives.
2. The strategic asset allocation determines the risk-reward profile of the portfolio and is the primary driver of overall portfolio performance and volatility. Key considerations include, but are not limited to, the following:
  - a. Asset allocation has a greater effect on return variability than asset class investment structure or investment manager selection.
  - b. Understanding expected performance variance and being steadfast in the face of negative returns is critical to long-term success.
  - c. Disciplined portfolio rebalancing is a key aspect of prudent long-term asset allocation policy.
3. Risk is multifaceted and will be evaluated holistically, incorporating quantitative measures and qualitative assessments. Risk considerations include, but are not limited to, the following:
  - a. Key pension plan risk factors include mortality, inflation, and investment returns.
  - b. Portfolio diversification across different asset classes, regions and risk factors reduces risk and increases risk-adjusted returns over the long-term.
  - c. Leverage can be an effective tool to enhance diversification and control risk.
  - d. Uncompensated risk should be minimized.
  - e. Generating positive investment return requires recognizing and accepting non-diversifiable risk. Not taking enough risk is risky; therefore, the Fund will accept a prudent level of risk in pursuit of its enterprise objectives.
4. Liquidity is a risk factor and a source of return.
  - a. The Fund should possess sufficient liquidity to meet expected cash needs under normal and stress scenarios.
  - b. Illiquid investments should be considered if the expected return provides attractive compensation for the loss of liquidity.
5. The opportunity for active manager risk-adjusted outperformance (alpha) is not uniformly distributed across asset classes or strategies. Active strategies are preferred only when there is strong conviction that they can be expected to add alpha, net of fees. Otherwise, passive strategies are preferred.
6. Investment costs will be monitored and minimized within the context of maximizing net return. The goal is not low fees, but rather maximum returns, net of fees.
  - a. Performance-based fee structures with a low base rate and a cap on participation may be appropriate and promote alignment of interests.
  - b. The Fund will negotiate aggressively for the lowest fees and will seek most favored nation clauses where appropriate.



# Investment Structure

## Asset Categories and Classes

Fund investments shall be prudently diversified to optimize expected risk and return. Assets can generally be categorized into four functional categories of Growth, Income, Inflation Protection, and Risk Mitigation. Each category can include multiple asset classes, representing different types of investments that can provide diversification within each functional category.

## Asset Allocation

The asset allocation establishes target weights for each asset class and is designed to maximize the long-term expected return of the Fund within an acceptable risk tolerance while providing sufficient liquidity to meet program liabilities. The asset allocation is a key determinant of investment performance. The Fund has adopted interim and long-term asset allocation targets. Interim targets are necessary to accommodate the initial transition and the subsequent buildout of diversified strategies, including private market investments. Interim targets and rebalancing ranges will be updated periodically, with Board approval, as new investments move the allocation toward the long-term targets. Rebalancing and the Policy Benchmark will be based on interim targets. Rebalancing ranges are not included where liquidity constraints prevent rebalancing. The Fund's interim and long-term asset allocation is as follows:

IPOPIF Asset Allocation Asset Classes	Target Allocation	Interim Rebalancing Range			Long-term Target Allocation
		Band	Lower	Upper	
<b>Growth</b>	<b>58.0%</b>	<b>10.0%</b>	<b>53.0%</b>	<b>63.0%</b>	<b>65.0%</b>
US Large	23.0%	4.0%	21.0%	25.0%	23.0%
US Small	5.0%	2.0%	4.0%	6.0%	5.0%
International Developed	19.0%	4.0%	17.0%	21.0%	19.0%
International Developed Small	5.0%	2.0%	4.0%	6.0%	5.0%
Emerging Markets	6.0%	2.0%	5.0%	7.0%	6.0%
Private Equity	0.0%	N/A	N/A	N/A	7.0%
<b>Income</b>	<b>16.0%</b>	<b>4.0%</b>	<b>14.0%</b>	<b>18.0%</b>	<b>14.0%</b>
High Yield Corp. Credit	7.0%	2.0%	6.0%	8.0%	3.0%
Emerging Market Debt	6.0%	2.0%	5.0%	7.0%	3.0%
Bank Loans	3.0%	2.0%	2.0%	4.0%	3.0%
Private Credit	0.0%	N/A	N/A	N/A	5.0%
<b>Real Assets</b>	<b>6.0%</b>	<b>2.0%</b>	<b>5.0%</b>	<b>7.0%</b>	<b>8.0%</b>
REITs	4.0%	2.0%	3.0%	5.0%	0.0%
Real Estate	2.0%	N/A	N/A	N/A	5.0%
Infrastructure	0.0%	N/A	N/A	N/A	3.0%
<b>Risk Mitigation</b>	<b>20.0%</b>	<b>8.0%</b>	<b>16.0%</b>	<b>24.0%</b>	<b>13.0%</b>
Cash	1.0%	2.0%	0.0%	2.0%	1.0%
Short-Term Government/Credit	10.0%	4.0%	8.0%	12.0%	3.0%
US Treasury	3.0%	2.0%	2.0%	4.0%	3.0%
US TIPS	3.0%	2.0%	2.0%	4.0%	3.0%
Core Fixed Income	3.0%	2.0%	2.0%	4.0%	3.0%
<b>Total</b>	<b>100.0%</b>				<b>100.0%</b>





## Rebalancing Policy

1. Rebalancing is the process of realigning investment weights toward targets to maintain the desired asset allocation.
2. Rebalancing ranges are included in the asset allocation.
3. The Chief Investment Officer (CIO) has the responsibility and authority to rebalance the Fund in accordance with the Fund's Investment Policy.
4. The CIO and the Investment Consultant shall review asset allocations at least quarterly or as appropriate during periods of significant market volatility.
5. Cash contributions to and withdrawals from the Fund may be used to move investment weights towards targets.
6. When asset allocations exceed the prescribed limits, or when deemed prudent by the CIO, with the advice of the Investment Consultant, Fund assets may be rebalanced to the target levels or to some point within the target range. No rebalancing action is automatically required if an asset class weight reaches a rebalancing limit. However, the CIO shall document the rationale for not acting if an allocation falls outside of the rebalancing range.
7. Rebalancing to targets will be considered at least annually by the CIO, with the advice of the Investment Consultant.
8. Rebalancing activity shall be reported at the next meeting of the Board.

## Investment Manager Selection, Monitoring and Evaluation

### Investment Manager Selection

1. Investment Manager selection shall be governed by the Fund's Procurement of Investment Services Policy.
2. Pursuant to 40 ILCS 5/1A-108, the Fund recognizes that it is the public policy of the State of Illinois to promote the economy of Illinois through the use of economic opportunity investments to the greatest extent feasible within the bounds of financial and fiduciary prudence.



## Manager Monitoring and Evaluation

Fund Staff and the Investment Consultant will evaluate each Investment Manager from a qualitative and quantitative standpoint on a quarterly basis.

1. Qualitative factors include, but are not limited to, the following.
  - a. Organizational changes, including but not limited to changes in structure, ownership, management, or departure of key personnel.
  - b. Assets under management at the firm and product level.
  - c. Conflicts of interest.
  - d. Changes in investment strategy, philosophy, process, or style.
  - e. Material litigation or regulatory challenges involving the Investment Manager.
  - f. Material client-servicing problems.
  - g. Minority brokerage utilization.
  - h. Other factors deemed relevant and considered by the Board.
2. Quantitative Review.
  - a. Long-term performance standards should measure an Investment Manager's performance using rolling returns across multiple trailing time periods (e.g., 1-year, 3-year, and 5-year) in relation to the mutually agreed upon performance index and a peer group of investment managers with similar investment styles.
  - b. Managers are expected to maintain their stated investment style and philosophy. Quantitative measures of investment style and philosophy include style mapping, style attribution analysis, and tracking error relative to the benchmark.
3. Investment Staff and the Investment Consultant will review Investment Manager performance with the Board on a quarterly basis.
4. The Investment Consultant and Investment Staff shall identify Investment Managers of concern, provide an analysis of material issues, and recommend appropriate action to the Board. Based on the analysis and recommendation provided by the Investment Consultant and Investment Staff, the Board will evaluate the Investment Manager and take action, if deemed appropriate by the Board.

## Diversity Guidelines

The Fund's investment policy includes a MWDBE Investment Manager Utilization Policy, a Minority Broker-Dealer Policy, a Fiduciary Diversity Policy and a Business Diversity Policy. For purposes of these policies, MWDBE and Minority Broker-Dealer are defined as 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. Along with goals for utilization of MWDBE Investment Managers and Minority Broker-Dealers, the Fund has goals specific to Emerging Investment managers. An "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.

In addition to specific goals of utilization of MWDBE investment manager by asset class, in accordance with 40 ILCS 5/1-109.1(10), it is the aspirational goal for the Fund to use MWDBE Investment Managers for not less than 20% of the total assets under management. It is also the Fund's aspirational goal that not less than 20% of Investment Managers be minorities, women, and persons with disabilities, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.



# Investment Portfolio Summary

As of June 30, 2024

Asset Type	Fair Value	Percent of Total Fair Value
<b>US Equities</b>		
Large Cap Equity Separate Account	\$ 2,286,405,054	21.9%
Small Cap Equity Separate Account	483,538,332	4.6%
<b>Total US Equities</b>	<b>2,769,943,386</b>	<b>26.5%</b>
<b>US Fixed Income</b>		
US Treasury Inflation Protected Securities Separate Account	311,835,096	3.0%
Transition Account <sup>1</sup>	94,562	0.0%
<b>Total US Fixed Income</b>	<b>311,929,658</b>	<b>3.0%</b>
<b>Commingled Funds, Equity</b>		
Acadian ACWI ex US Small-Cap Fund	267,368,105	2.6%
Ishares Russell 1000 and 2000 Index ETFs	241,265,459	2.3%
LSV International Small Cap Equity Fund	126,733,121	1.2%
MSCI EAFE Index Fund	1,792,435,592	17.2%
MSCI Canada Index Fund	209,896,465	2.0%
MSCI Daily Emerging Markets Index Fund	340,140,081	3.3%
MSCI Emerging Markets ex China Fund	310,595,880	3.0%
WCM International Small Cap Growth Fund	123,182,340	1.2%
<b>Total Commingled Funds, Equity</b>	<b>3,411,617,043</b>	<b>32.7%</b>
<b>Commingled Funds, Fixed Income</b>		
Ares Institutional Loan Fund	102,476,499	1.0%
Emerging Markets Hard Currency Sovereign Bond Index Fund	625,225,679	6.0%
Pacific Asset Management Bank Loan Fund LP	204,310,952	2.0%
US Aggregated Bond Index Fund	340,632,002	3.3%
US High Yield Bond Index Fund	727,292,077	7.0%
US Short-Term Government/Credit Bond Index Fund	1,048,922,103	10.0%
US Treasury Index Fund	312,777,339	3.0%
<b>Total Commingled Funds, Fixed Income</b>	<b>3,361,636,651</b>	<b>32.2%</b>
<b>Real Estate</b>		
US REIT Index Fund	425,437,445	4.1%
Principal Real Estate US Property Separate Account	157,860,163	1.5%
<b>Total Real Estate</b>	<b>583,297,608</b>	<b>5.6%</b>
<b>Total Portfolio</b>	<b>\$ 10,438,424,346</b>	<b>100.0%</b>

<sup>1</sup> Transition account consists of investments held by the Fund that have been transferred from participating pension funds and are awaiting liquidation and transition into the Fund's target asset allocation.



# Performance Summary

Prepared by Verus Advisors

Asset Classes							Performance	Performance	Performance*
	1/31/24	2/28/24	3/31/24	4/30/24	5/31/24	6/30/24	7/1/23 – 6/30/24	7/1/22 – 6/30/23	4/1/22 – 6/30/22
<b>Short-Term Investments</b>	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	5.2%	3.1%	0.0%
Short-Term Investments Benchmark	0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	5.4%	3.5%	0.1%
<b>US Equities</b>	0.4%	5.4%	3.3%	-4.7%	4.8%	2.5%	21.2%	7.7%	-16.9%
US Equities Benchmark	0.4%	5.4%	3.3%	-4.8%	4.8%	2.6%	21.4%	7.6%	-16.8%
<b>US Fixed Income</b>	0.4%	-0.2%	0.7%	-0.1%	0.9%	0.7%	5.4%	-1.8%	-1.4%
US Fixed Income Benchmark	0.4%	-0.2%	0.6%	-0.1%	0.9%	0.6%	5.4%	-1.7%	-1.1%
<b>Commingled Funds, Equity</b>	-1.2%	2.2%	3.2%	-2.1%	3.4%	-0.3%	11.3%	7.9%	-14.0%
Commingled Funds, Equity Benchmark	-1.1%	2.2%	3.3%	-2.1%	3.2%	-0.6%	11.0%	7.9%	-14.6%
<b>Commingled Funds, Fixed Income</b>	-0.1%	0.0%	1.0%	-0.9%	1.1%	0.7%	7.2%	0.7%	-6.2%
Commingled Funds, Fixed Income Benchmark	-0.1%	0.0%	1.0%	-0.9%	1.1%	0.7%	7.3%	1.3%	-5.3%
<b>Real Estate</b>	-2.9%	1.1%	1.0%	-5.3%	3.4%	1.7%	2.4%	-6.7%	-6.1%
Real Estate Benchmark	-2.7%	1.2%	0.5%	-4.9%	3.2%	1.6%	1.6%	-7.3%	-11.6%

Calculations are prepared utilizing a time-weighted rate of return

\* Information prior to March 31, 2022, not available as first transfer of participating pension funds investment assets into the Fund occurred on March 1, 2022. Prior to such date, the Fund did not hold any investments.



## Performance Summary (continued)

Asset Classes	7/31/23	8/31/23	9/30/23	10/31/23	11/30/23	12/31/23
<b>Short-Term Investments</b>	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Short-Term Investments Benchmark	0.4%	0.5%	0.5%	0.4%	0.4%	0.5%
<b>US Equities</b>	3.9%	-2.4%	-4.9%	-3.3%	9.3%	6.2%
US Equities Benchmark	3.9%	-2.3%	-4.9%	-3.2%	9.3%	6.2%
<b>US Fixed Income</b>	0.5%	0.2%	-0.1%	0.4%	1.0%	1.1%
US Fixed Income Benchmark	0.5%	0.1%	-0.2%	0.4%	1.0%	1.1%
<b>Commingled Funds, Equity</b>	4.1%	-4.3%	-3.4%	-4.3%	9.0%	5.4%
Commingled Funds, Equity Benchmark	4.1%	-4.3%	-3.4%	-4.4%	9.1%	5.4%
<b>Commingled Funds, Fixed Income</b>	0.9%	-0.1%	-1.2%	-0.6%	3.4%	2.9%
Commingled Funds, Fixed Income Benchmark	1.0%	-0.1%	-1.1%	-0.6%	3.4%	2.9%
<b>Real Estate</b>	1.9%	-2.5%	-5.6%	-2.8%	6.9%	6.5%
Real Estate Benchmark	1.9%	-2.1%	-5.4%	-3.0%	7.2%	4.9%

Calculations are prepared utilizing a time weighted rate of return.

\* Information prior to March 31, 2022, not available as first transfer of participating pension funds investment assets into the Fund occurred on March 1, 2022. Prior to such date, the Fund did not hold any investments.

Benchmark	Benchmark constituents
Short-Term Investments Benchmark	100% 91-Day T-Bills
US Equities Benchmark	78.3% Russell 1000 Index, 21.7% Russell 2000 Index through 4/30/2023; 82.1% Russell 1000 Index, 17.9% Russell 2000 Index thereafter.
US Fixed Income Benchmark	100% Bloomberg U.S. TIPS 0-5 Year
Commingled Funds, Equity Benchmark	55.6% MSCI World ex U.S. (Net), 18.5% MSCI World ex U.S. Small Cap Index (Net), 25.9% MSCI Emerging Markets IMI (Net) through 12/31/2022; 55.6% MSCI World ex U.S. (Net), 18.5% MSCI World ex U.S. Small Cap Index (Net), 25.9% MSCI Emerging Markets (Net) through 3/31/2024; 63.3% MSCI World ex U.S. (Net), 16.7% MSCI World ex U.S. Small Cap Index (Net), 20.0% MSCI Emerging Markets (Net) through 4/30/2024; 63.3% MSCI World ex U.S. (Net), 16.7% MSCI World ex U.S. Small Cap Index (Net), 16.7% MSCI Emerging Markets (Net), 3.3% MSCI Emerging Markets ex China (Net) through 5/31/2024; 63.3% MSCI World ex U.S. (Net), 16.7% MSCI World ex U.S. Small Cap Index (Net), 13.3% MSCI Emerging Markets (Net), 6.7% MSCI Emerging Markets ex China (Net) thereafter
Commingled Funds, Fixed Income Benchmark	26.3% Bloomberg U.S. Corporate High Yield, 7.9% JPM GBI-EM GD, 7.9% JPM EMBI GD, 18.4% Bloomberg U.S. Aggregate Index, 39.5% Bloomberg 1-3 Year Gov/Credit Index through 12/31/2022; 26.3% Bloomberg U.S. Corporate High Yield, 15.8% JPM EMBI GD, 18.4% Bloomberg U.S. Aggregate Index, 39.5% Bloomberg 1-3 Year Gov/Credit Index from 1/1/2023 – 4/30/2023; 31.3% Bloomberg U.S. Corporate High Yield, 18.8% JPM EMBI GD, 9.4% Bloomberg U.S. Aggregate Index, 40.6% Bloomberg 1-3 Year Gov/Credit Index through 2/29/2024; 26.6% Bloomberg U.S. Corporate High Yield, 18.8% JPM EMBI GD, 9.4% Bloomberg U.S. Aggregate Index, 40.6% Bloomberg 1-3 Year Gov/Credit Index, 4.7% Credit Suisse Leveraged Loan Index through 3/31/2024; 21.9% Bloomberg U.S. Corporate High Yield, 18.8% JPM EMBI GD, 9.4% Bloomberg U.S. Aggregate Index, 40.6% Bloomberg 1-3 Year Gov/Credit Index, 9.4% Credit Suisse Leveraged Loan Index through 4/30/2024; 21.9% Bloomberg U.S. Corporate High Yield, 18.8% JPM EMBI GD, 9.4% Bloomberg U.S. Aggregate Index, 37.5% Bloomberg 1-3 Year Gov/Credit Index, 9.4% Credit Suisse Leveraged Loan Index, 3.1% Bloomberg US Treasury Index through 5/31/2024; 21.9% Bloomberg U.S. Corporate High Yield, 18.8% JPM EMBI GD, 9.4% Bloomberg U.S. Aggregate Index, 34.4% Bloomberg 1-3 Year Gov/Credit Index, 9.4% Credit Suisse Leveraged Loan Index, 6.3% Bloomberg US Treasury Index thereafter.
Real Estate Benchmark	66.7% Wilshire REIT, 33.3% NFI Property Index



# Ten Largest Equity Investment Holdings

Excludes Commingled Funds and Short-Term Investments

Security Name	Base Market Value	Percent of Total Investments
Microsoft Corp. Common Stock USD.00000625	153,449,555.70	1.5%
Apple Inc. Common Stock USD.00001	141,702,187.32	1.4%
Nvidia Corp. Common Stock USD.001	135,418,371.00	1.3%
Amazon.com Inc. Common Stock USD.01	80,205,320.50	0.8%
Meta Platforms Inc. Class A Common Stock Usd.000006	51,376,992.68	0.5%
Alphabet Inc. CL A Common Stock USD.001	49,863,562.50	0.5%
Alphabet Inc. CL C Common Stock USD.001	42,410,555.82	0.4%
Eli Lilly + Co. Common Stock	35,296,239.30	0.3%
Berkshire Hathaway Inc. Cl B Common Stock	34,316,020.80	0.3%
Broadcom Inc. Common Stock	31,887,431.33	0.3%

A full report of Investment Holdings at June 30, 2024, is available on the Fund's website or upon request.



## Ten Largest Fixed Income Investment Holdings

Excludes commingled funds, cash equivalents and short-term investments

Security Name	Base Market Value	Percent of Total Investments
TSY INFL IX N/B 10/28 2.375	16,076,594.79	0.2%
TSY INFL IX N/B 10/27 1.625	15,201,826.22	0.1%
TSY INFL IX N/B 04/28 1.25	15,145,344.34	0.1%
TSY INFL IX N/B 07/25 0.375	15,033,437.67	0.1%
TSY INFL IX N/B 01/25 0.25	14,816,462.46	0.1%
TSY INFL IX N/B 04/27 0.125	14,584,853.13	0.1%
TSY INFL IX N/B 07/24 0.125	14,520,843.81	0.1%
TSY INFL IX N/B 04/29 2.125	14,213,069.96	0.1%
TSY INFL IX N/B 10/25 0.125	14,183,506.44	0.1%
TSY INFL IX N/B 10/26 0.125	13,704,774.40	0.1%

A full report of Investment Holdings at June 30, 2024, is available on the Fund's website or upon request.



## Equity Brokerage Commissions

July 1, 2023 - June 30, 2024

Broker Name	Commissions
Academy Securities*	\$ 1,947
Cabrera Capital*	3,026
Instinet	19,365
Jefferies	864
Loop Capital*	9,232
Penserra Securities*	4,012
Siebert Williams Shank*	5,632
<b>Total</b>	<b>\$ 44,078</b>

## Fixed Income Par Value Traded

July 1, 2023 - June 30, 2024

Broker Name	Par Value Traded
Barclays Capital Inc. US	4,305,277
BNP Paribas Securities Corp	1,873,628
Goldman Sachs and Co.	76,085,865
JP Morgan Securities LLC	7,133,459
Morgan Stanley and Co. LLC	1,565,029
Nomura Securities Int'l Inc.	10,404,752
State Street Global Markets	3,810,000
Wells Fargo Securities LLC	1,564,628
<b>Total</b>	<b>106,742,638</b>

\* Represents "minority-owned business", "women-owned business" or "business owned by a person with a disability" as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.





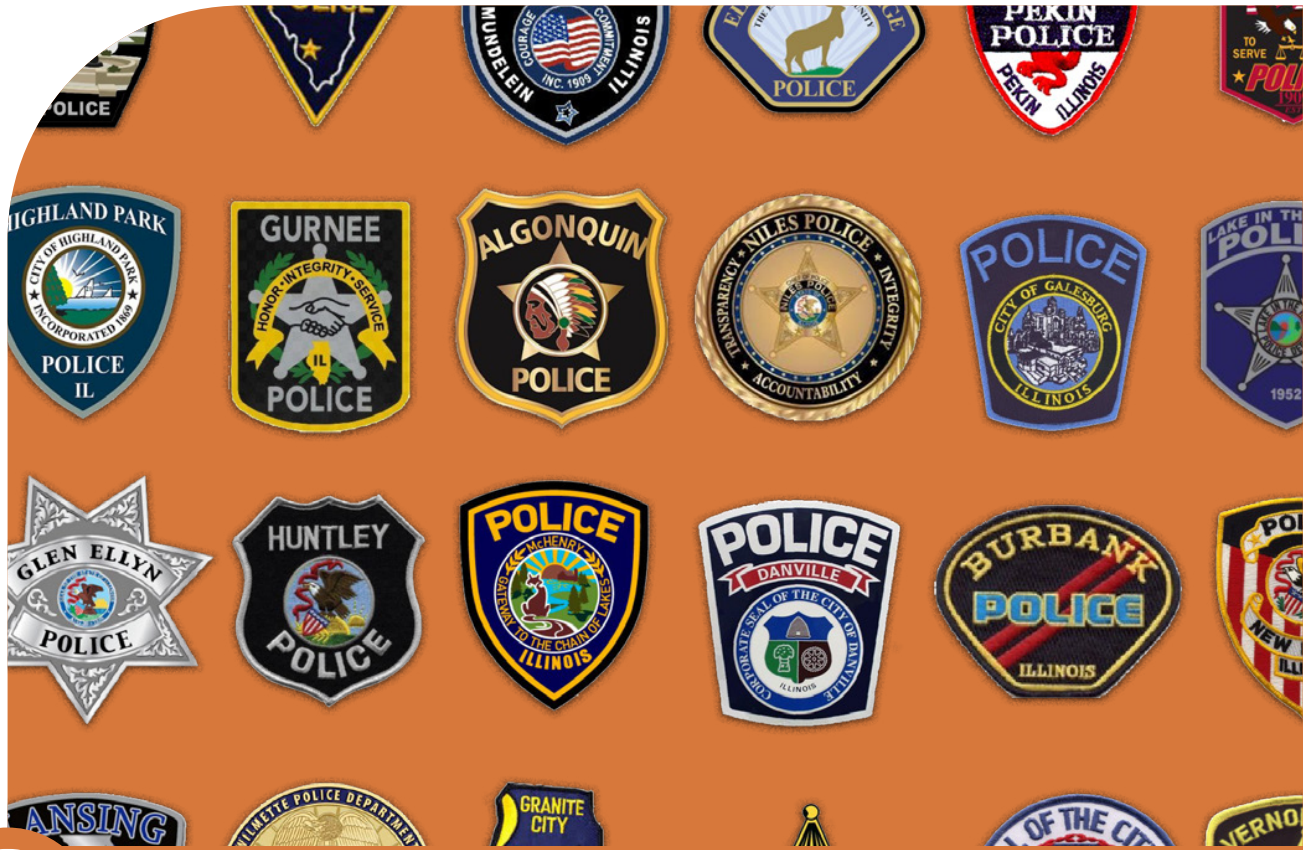
## Schedule of Investment Fees

For the Year Ended June 30, 2024

<b>Direct Investment Manager Fees</b>	<b>Fees</b>	<b>Assets Under Management as of June 30, 2024</b>
Acadian Asset Management	\$ 562,482	\$ 267,368,105
LSV Asset Management	320,272	126,733,121
State Street Global Advisors	1,127,585	6,445,284,322
Rhumblin Advisors	132,823	3,011,208,845
<b>Total Direct Investment Management Fees*</b>	<b>2,143,162</b>	
<b>Other Direct Investment Expenses</b>		
Investment Consultant — Verus Advisors	427,500	
Custodian — State Street Bank & Trust Company, NA	421,660	
<b>Total Other Direct Investment Expenses</b>	<b>849,160</b>	
<b>Total Direct Investment Expenses</b>	<b>2,992,322</b>	
<b>Investment Fees Net with Investment Return*</b>	<b>Fees</b>	<b>Assets Under Management as of June 30, 2024</b>
WCM Investment Management	254,144	123,182,340
Ares Management	72,640	102,476,499
Aristotle Pacific Capital	183,208	204,310,952
Principal Financial Group	1,319,300	157,860,163
<b>Total Investment Fees Net with Investment Return</b>	<b>\$ 1,829,292</b>	

\* These fees are deducted directly by the Investment Manager from the Fund's investment balance based on the net asset value of the investment.





## Statistical Section

The Illinois Police Officers' Pension Investment Fund (IPOPIF) was created through Public Act 101-0610 that provided for the mandatory consolidation of the investment assets of the state's public safety pension funds into two investment funds one for police and one for fire.

Article 22(B) within Chapter 40, Article 5 of the Illinois Compiled Statutes (ILCS) created the authority to manage the reserves, funds, assets, securities, properties, and moneys of the police pension funds created pursuant to Article 3 of the Pension Code.

The Article 3 police pension plans retain their responsibilities to manage benefit distribution and eligibility determinations, including pension disability awards. The information regarding the financial, operational status, retirement benefits and membership data of each pension system remains within the scope of the local Article 3 police pension plans to report individually and separately from the IPOPIF annual comprehensive financial report.

The list of those Article 3 police pension funds that are participating in the mandatory consolidation of investment assets with IPOPIF is included in this section.

## Article 3 Police Pension Funds

Addison Police Pension Fund	Buffalo Grove Police Pension Fund	Clinton Police Pension Fund
Algonquin Police Pension Fund	Burbank Police Pension Fund	Coal City Police Pension Fund
Alsip Police Pension Fund	Burnham Police Pension Fund	Collinsville Police Pension Fund
Alton Police Pension Fund	Burr Ridge Police Pension Fund	Colona Police Pension Fund
Anna Police Pension Fund	Cahokia Heights Police Pension Fund	Columbia Police Pension Fund
Antioch Police Pension Fund	Cairo Police Pension Fund	Country Club Hills Police Pension Fund
Arlington Heights Police Pension Fund*	Calumet City Police Pension Fund	Countryside Police Pension Fund
Aurora Police Pension Fund*	Calumet Park Police Pension Fund	Crest Hill Police Pension Fund
Barrington Hills Police Pension Fund	Campton Hills Police Pension Fund	Crestwood Police Pension Fund
Barrington Police Pension Fund	Canton Police Pension Fund	Crete Police Pension Fund
Bartlett Police Pension Fund	Carbondale Police Pension Fund	Creve Coeur Police Pension Fund
Bartonville Police Pension Fund	Carlinville Police Pension Fund	Crystal Lake Police Pension Fund
Batavia Police Pension Fund	Carmi Police Pension Fund	Danville Police Pension Fund
Beardstown Police Pension Fund	Carol Stream Police Pension Fund	Darien Police Pension Fund
Belleville Police Pension Fund	Carpentersville Police Pension Fund	Decatur Police Pension Fund
Bellwood Police Pension Fund	Cartersville Police Pension Fund	Deerfield Police Pension Fund
Belvidere Police Pension Fund	Cary Police Pension Fund	DeKalb Police Pension Fund*
Bensenville Police Pension Fund	Caseyville Police Pension Fund	Des Plaines Police Pension Fund
Benton Police Pension Fund	Centralia Police Pension Fund	Dixon Police Pension Fund
Berkeley Police Pension Fund	Champaign Police Pension Fund*	Dolton Police Pension Fund
Berwyn Police Pension Fund	Channahon Police Pension Fund	Downers Grove Police Pension Fund
Bethalto Police Pension Fund	Charleston Police Pension Fund	Du Quoin Police Pension Fund
Bloomington Police Pension Fund	Chatham Police Pension Fund	East Alton Police Pension Fund
Bloomington Police Pension Fund	Cherry Valley Police Pension Fund	East Dundee Police Pension Fund
Blue Island Police Pension Fund	Chester Police Pension Fund	East Moline Police Pension Fund
Bolingbrook Police Pension Fund	Chicago Heights Police Pension Fund*	East Peoria Police Pension Fund
Bourbonnais Police Pension Fund	Chicago Ridge Police Pension Fund*	East St. Louis Police Pension Fund*
Bradley Police Pension Fund	Chillicothe Police Pension Fund	Edwardsville Police Pension Fund
Braidwood Police Pension Fund	Cicero Police Pension Fund	Effingham Police Pension Fund
Bridgeview Police Pension Fund	Clarendon Hills Police Pension Fund	Elburn Police Pension Fund
Broadview Police Pension Fund		Eldorado Police Pension Fund
Brookfield Police Pension Fund		Elgin Police Pension Fund*

\* As of June 30, 2024, investment assets not received



Elk Grove Village Police Pension Fund	Gurnee Police Pension Fund	La Grange Park Police Pension Fund
Elmhurst Police Pension Fund*	Hampshire Police Pension Fund	La Grange Police Pension Fund
Elmwood Park Police Pension Fund	Hanover Park Police Pension Fund	La Salle Police Pension Fund
Eureka Police Pension Fund	Harrisburg Police Pension Fund	Lake Bluff Police Pension Fund
Evanston Police Pension Fund*	Harvard Police Pension Fund	Lake Forest Police Pension Fund
Evergreen Park Police Pension Fund	Harvey Police Pension Fund	Lake In the Hills Police Pension Fund
Fairfield Police Pension Fund	Harwood Heights Police Pension Fund	Lake Villa Police Pension Fund
Fairview Heights Police Pension Fund*	Hawthorn Woods Police Pension Fund	Lake Zurich Police Pension Fund
Flora Police Pension Fund	Hazel Crest Police Pension Fund	Lakemoor Police Pension Fund
Flossmoor Police Pension Fund	Herrin Police Pension Fund	Lansing Police Pension Fund
Forest Park Police Pension Fund	Hickory Hills Police Pension Plan	Lawrenceville Police Pension Fund
Forest View Police Pension Fund	Highland Park Police Pension Fund	Lemont Police Pension Fund
Fox Lake Police Pension Fund	Highland Police Pension Fund	Libertyville Police Pension Fund
Fox River Grove Police Pension Fund	Highwood Police Pension Fund	Lincoln Police Pension Fund
Frankfort Police Pension Fund	Hillsboro Police Pension Fund	Lincolnshire Police Pension Fund
Franklin Park Police Pension Fund	Hillside Police Pension Fund	Lincolnwood Police Pension Fund
Freeport Police Pension Fund	Hinsdale Police Pension Fund	Lindenhurst Police Pension Fund
Galesburg Police Pension Fund	Hodgkins Police Pension Fund	Lisle Police Pension Fund
Geneseo Police Pension Fund	Hoffman Estates Police Pension Fund	Litchfield Police Pension Fund
Geneva Police Pension Fund	Homewood Police Pension Fund	Lockport Police Pension Fund
Genoa Police Pension Fund	Hoopeston Police Pension Fund	Lombard Police Pension Fund
Gilberts Police Pension Fund	Huntley Police Pension Fund	Loves Park Police Pension Fund
Glen Carbon Police Pension Fund	Island Lake Police Pension Fund	Lynwood Police Pension Fund
Glen Ellyn Police Pension Fund	Itasca Police Pension Fund	Lyons Police Pension Fund
Glencoe Police Pension Fund	Jacksonville Police Pension Fund	Macomb Police Pension Fund
Glendale Heights Police Pension Fund	Jerseyville Police Pension Fund	Madison Police Pension Fund
Glenview Police Pension Fund	Johnsburg Police Pension Fund	Mahomet Police Pension Fund
Glenwood Police Pension Fund	Joliet Police Pension Fund	Manhattan Police Pension Fund
Granite City Police Pension Fund	Justice Police Pension Fund	Manteno Police Pension Fund
Grayslake Police Pension Fund	Kankakee Police Pension Fund	Marengo Police Pension Fund
Greenville Police Pension Fund	Kenilworth Police Pension Fund	Marion Police Pension Fund
	Kewanee Police Pension Fund	Markham Police Pension Fund
	Kildeer Police Pension Fund	Marseilles Police Pension Fund
		Maryville Police Pension Fund*
		Mascoutah Police Pension Fund

\* As of June 30, 2024, investment assets not received



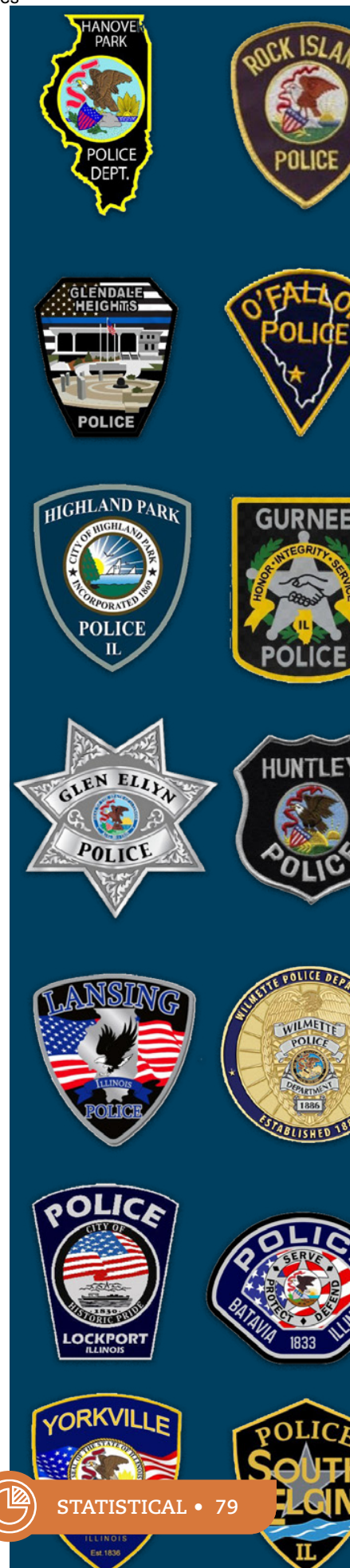
Matteson Police Pension Fund	Northfield Police Pension Fund	Pontoon Beach Police Pension Fund
Mattoon Police Pension Fund	Northlake Police Pension Fund	Posen Police Pension Fund
Maywood Police Pension Fund	Oak Brook Police Pension Fund	Princeton Police Pension Fund
McCook Police Pension Fund	Oak Forest Police Pension Fund	Prospect Heights Police Pension Fund
McHenry Police Pension Fund	Oak Lawn Police Pension Fund	Quincy Police Pension Fund
Melrose Park Police Pension Fund	Oak Park Police Pension Fund	Rantoul Police Pension Fund*
Mendota Police Pension Fund	Oakbrook Terrace Police Pension Fund	Richton Park Police Pension Fund
Metropolis Police Pension Fund	O'Fallon Police Pension Fund	River Forest Police Pension Fund
Midlothian Police Pension Fund	Oglesby Police Pension Fund	River Grove Police Pension Fund
Milan Police Pension Fund	Olney Police Pension Fund	Riverdale Police Pension Fund
Minooka Police Pension Fund	Olympia Fields Police Pension Fund	Riverside Police Pension Fund
Mokena Police Pension Fund*	Orland Hills Police Pension Fund	Robbins Police Pension Fund*
Moline Police Pension Fund	Orland Park Police Pension Fund	Robinson Police Pension Fund
Monee Police Pension Fund	Oswego Police Pension Fund	Rochelle Police Pension Fund
Monmouth Police Pension Fund	Ottawa Police Pension Fund	Rock Falls Police Pension Fund
Montgomery Police Pension Fund	Palatine Police Pension Fund	Rock Island Police Pension Fund
Monticello Police Pension Fund*	Palos Heights Police Pension Fund*	Rockford Police Pension Fund
Morris Police Pension Fund	Palos Hills Police Pension Fund	Rockton Police Pension Fund
Morton Grove Police Pension Fund	Palos Park Police Pension Fund	Rolling Meadows Police Pension Fund
Morton Police Pension Fund	Pana Police Pension Fund	Romeoville Police Pension Fund
Mount Carmel Police Pension Fund	Paris Police Pension Fund	Roscoe Police Pension Fund
Mount Prospect Police Pension Fund	Park City Police Pension Fund	Roselle Police Pension Fund
Mount Vernon Police Pension Fund	Park Forest Police Pension Fund	Round Lake Beach Police Pension Fund
Mount Zion Police Pension Fund	Park Ridge Police Pension Fund	Round Lake Park Police Pension Fund
Mundelein Police Pension Fund	Pekin Police Pension Fund	Round Lake Police Pension Fund
Murphysboro Police Pension Fund	Peoria Heights Police Pension Fund	Salem Police Pension Fund
Naperville Police Pension Fund	Peoria Police Pension Fund	Sandwich Police Pension Fund
New Lenox Police Pension Fund	Peotone Police Pension Fund	Sauk Village Police Pension Fund
Niles Police Pension Fund	Peru Police Pension Fund	Savanna Police Pension Fund
Normal Police Pension Fund	Pinckneyville Police Pension Fund	Schaumburg Police Pension Fund
Norridge Police Pension Fund	Pingree Grove Police Pension Fund	Schiller Park Police Pension Fund
North Aurora Police Pension Fund	Plainfield Police Pension Fund	Shelbyville Police Pension Fund
North Chicago Police Pension Fund	Plano Police Pension Fund	
North Riverside Police Pension Fund	Pontiac Police Pension Fund	
Northbrook Police Pension Fund		

\* As of June 30, 2024, investment assets not received



Shiloh Police Pension Fund  
 Shorewood Police Pension Fund  
 Silvis Police Pension Fund  
 Skokie Police Pension Fund  
 South Barrington Police Pension Fund  
 South Beloit Police Pension Fund  
 South Chicago Heights Police Pension Fund\*  
 South Elgin Police Pension Fund  
 South Holland Police Pension Fund  
 Spring Grove Police Pension Fund  
 Spring Valley Police Pension Fund  
 Springfield Police Pension Fund  
 St. Charles Police Pension Fund  
 Staunton Police Pension Fund  
 Steger Police Pension Fund  
 Sterling Police Pension Fund  
 Stickney Police Pension Fund  
 Stone Park Police Pension Fund\*  
 Streamwood Police Pension Fund  
 Streator Police Pension Fund  
 Sugar Grove Police Pension Fund  
 Summit Police Pension Fund  
 Swansea Police Pension Fund  
 Sycamore Police Pension Fund  
 Taylorville Police Pension Fund  
 Tinley Park Police Pension Fund  
 Troy Police Pension Fund  
 University Park Police Pension Fund  
 Urbana Police Pension Fund  
 Vandalia Police Pension Fund  
 Venice Police Pension Fund\*  
 Vernon Hills Police Pension Fund  
 Villa Park Police Pension Fund\*  
 Warrenville Police Pension Fund

Washington Park Police Pension Fund\*  
 Washington Police Pension Fund  
 Waterloo Police Pension Fund  
 Watseka Police Pension Fund  
 Wauconda Police Pension Fund  
 Waukegan Police Pension Fund  
 Wayne Police Pension Fund  
 West Chicago Police Pension Fund  
 West Dundee Police Pension Fund  
 West Frankfort Police Pension Fund  
 Westchester Police Pension Fund  
 Western Springs Police Pension Fund  
 Westmont Police Pension Fund  
 Wheaton Police Pension Fund  
 Wheeling Police Pension Fund  
 Willow Springs Police Pension Fund  
 Willowbrook Police Pension Fund  
 Wilmette Police Pension Fund  
 Wilmington Police Pension Fund  
 Winfield Police Pension Fund  
 Winnetka Police Pension Fund  
 Winthrop Harbor Police Pension Fund  
 Wood Dale Police Pension Fund\*  
 Wood River Police Pension Fund  
 Woodridge Police Pension Fund\*  
 Woodstock Police Pension Fund  
 Worth Police Pension Fund  
 Yorkville Police Pension Fund  
 Zion Police Pension Fund



\* As of June 30, 2024, investment assets not received



## Article 3 Funds Population Trends and Net Balance per Fund\*

For the Fiscal Year ending June 30, 2024

Population Estimate (as of July 1)

Municipality	2021	2022	2023	County	June 30, 2024 Net Fund Balance
Aurora	179,397	177,931	177,563	Kane	\$0
Joliet	150,627	150,156	150,489	Will	\$331,155,339
Naperville	149,505	150,024	150,245	DuPage	\$255,873,499
Rockford	147,745	146,646	146,120	Winnebago	\$219,627,733
Elgin	114,036	113,131	113,310	Cook	\$0
Springfield	113,733	113,071	112,544	Sangamon	\$206,421,441
Peoria	111,787	110,777	110,460	Peoria	\$219,969,237
Champaign	89,293	89,082	89,189	Champaign	\$0
Waukegan	88,732	88,073	87,642	Lake	\$143,772,702
Cicero	83,219	81,738	81,004	Cook	\$107,844,200
Bloomington	78,815	78,764	78,587	McLean	\$119,132,493
Schaumburg	77,084	76,062	75,750	Cook	\$128,736,204
Evanston	76,586	75,369	75,070	Cook	\$0
Arlington Heights	76,071	75,035	74,495	Cook	\$0
Bolingbrook	73,696	74,062	74,088	Will	\$101,155,855
Decatur	70,088	69,201	68,670	Macon	\$132,708,892
Skokie	66,451	65,355	64,937	Cook	\$169,859,554
Palatine	66,436	65,347	64,869	Cook	\$117,816,417
Des Plaines	59,422	58,462	58,010	Cook	\$89,448,347
Orland Park	57,911	57,377	57,074	Cook	\$123,970,610
Oak Lawn	57,094	56,163	55,734	Cook	\$89,995,836
Berwyn	55,873	54,901	54,414	Cook	\$138,940,595
Mount Prospect	55,630	54,722	54,298	Cook	\$93,985,897
Tinley Park	54,946	54,191	53,886	Cook	\$97,253,663
Wheaton	53,441	53,033	52,938	DuPage	\$106,308,662
Normal	52,805	52,776	52,618	McLean	\$59,739,757
Oak Park	53,297	52,431	52,055	Cook	\$119,028,260
Hoffman Estates	51,419	50,568	50,179	Cook	\$95,356,266
Downers Grove	49,760	49,394	49,706	DuPage	\$72,387,256
Plainfield	45,606	46,281	47,448	Will	\$53,888,972
Glenview	47,781	47,162	46,904	Cook	\$100,079,629
Elmhurst	45,485	45,305	45,336	DuPage	\$0





Lombard	44,030	43,901	43,779	DuPage	\$84,434,380
Buffalo Grove	42,818	42,566	42,482	Cook	\$97,394,135
Moline	42,465	42,037	41,965	Rock Island	\$86,600,414
Romeoville	41,440	41,067	40,955	Will	\$66,060,942
Crystal Lake	40,482	40,633	40,861	McHenry	\$56,771,649
Belleville	41,828	41,228	40,726	St Clair	\$50,271,993
DeKalb	40,292	40,219	40,211	DeKalb	\$0
Bartlett	40,548	40,137	39,992	Cook	\$62,207,331
Carol Stream	39,427	39,082	38,966	DuPage	\$74,360,554
Quincy	39,108	38,840	38,803	Adams	\$54,515,630
Urbana	38,652	38,414	38,209	Champaign	\$49,356,203
Park Ridge	38,796	38,196	37,897	Cook	\$69,484,406
Streamwood	38,704	38,067	37,780	Cook	\$62,643,562
Wheeling	38,472	37,857	37,725	Cook	\$71,095,789
Carpentersville	37,697	37,292	37,099	Cook	\$63,933,265
Oswego	35,349	35,917	37,074	Kendall	\$48,236,025
Hanover Park	36,831	36,353	36,165	DuPage	\$48,178,956
Rock Island	36,589	36,270	36,132	Rock Island	\$44,405,425
Addison	35,391	35,158	35,167	DuPage	\$69,941,579
Calumet City	35,227	34,633	34,358	Cook	\$61,534,888
Northbrook	34,560	34,102	33,977	Cook	\$71,597,121
Woodridge	33,865	33,616	33,566	DuPage	\$0
St. Charles	33,038	32,747	32,654	Kane	\$53,576,097
Glendale Heights	32,810	32,513	32,409	DuPage	\$61,998,254
O'Fallon	32,280	32,081	31,968	St Clair	\$42,956,176
Mundelein	31,586	31,645	31,790	Lake	\$38,705,136
Elk Grove Village	32,112	31,596	31,350	Cook	\$118,651,019
Pekin	31,471	31,191	31,126	Tazewell	\$43,997,664
North Chicago	30,649	30,517	30,416	Lake	\$15,415,188
Highland Park	30,200	30,194	30,272	Lake	\$54,613,481
Gurnee	30,549	30,339	30,193	Lake	\$78,235,014
Algonquin	29,969	29,936	30,134	McHenry	\$50,881,719
Niles	30,228	29,743	29,513	Cook	\$50,749,637
Galesburg	29,647	29,249	29,130	Knox	\$10,091,718
Lake in the Hills	28,976	28,686	28,661	McHenry	\$50,599,109
Glen Ellyn	28,648	28,418	28,347	DuPage	\$39,948,822
Huntley	28,008	28,124	28,269	McHenry	\$19,680,540
Mchenry	27,602	28,234	28,251	McHenry	\$60,784,005

Danville	28,801	28,383	28,206	Vermillion	\$28,534,267
Burbank	28,821	28,369	28,164	Cook	\$71,380,070
New Lenox	27,518	27,615	28,047	Will	\$36,252,868
Lansing	28,418	27,936	27,713	Cook	\$39,464,464
Wilmette	27,633	27,204	27,026	Cook	\$61,110,092
Granite City	27,328	27,091	26,908	Madison	\$53,196,706
Round Lake Beach	27,099	26,913	26,783	Lake	\$33,148,475
Edwardsville	26,711	26,635	26,698	Madison	\$30,477,810
Vernon Hills	26,799	26,788	26,677	Lake	\$66,216,585
Lockport	26,149	26,105	26,537	Will	\$36,503,288
Batavia	26,347	26,219	26,235	Kane	\$40,674,822
Oak Forest	26,851	26,404	26,199	Cook	\$37,492,937
Chicago Heights	26,850	26,401	26,184	Cook	\$0
Woodstock	25,760	25,646	25,699	McHenry	\$32,737,711
Belvidere	25,161	25,134	25,297	Boone	\$30,487,251
West Chicago	25,418	25,193	25,116	DuPage	\$47,349,889
Alton	25,422	25,189	25,006	Madison	\$60,361,080
Yorkville	22,686	23,864	24,693	Kendall	\$17,501,742
South Elgin	23,964	24,018	24,277	Kane	\$30,044,297
Zion	24,521	24,340	24,206	Lake	\$28,410,952
Morton Grove	24,735	24,320	24,131	Cook	\$47,477,458
Westmont	24,201	23,998	23,933	DuPage	\$43,244,993
Collinsville	24,162	23,944	23,779	Madison	\$34,689,756
Melrose Park	24,247	23,844	23,666	Cook	\$28,484,671
Kankakee	23,805	23,585	23,503	Kankakee	\$45,627,437
Elmwood Park	23,960	23,553	23,369	Cook	\$49,851,295
Loves Park	23,344	23,314	23,335	Winnebago	\$23,519,229
Rolling Meadows	23,777	23,507	23,329	Cook	\$65,150,624
Lisle	23,477	23,279	23,222	DuPage	\$46,267,922
Freeport	23,655	23,376	23,136	Stephenson	\$53,853,619
Maywood	23,140	22,881	22,880	Cook	\$31,569,489
Roselle	22,698	22,509	22,508	DuPage	\$33,069,156
Bloomingtondale	22,458	22,343	22,298	DuPage	\$22,574,882
East Peoria	22,274	22,084	22,012	Tazewell	\$40,564,373
Montgomery	21,356	21,850	21,955	Kane	\$14,035,373
Villa Park	22,007	21,811	21,727	DuPage	\$0
Darien	21,804	21,604	21,698	DuPage	\$37,332,660
Carbondale	21,769	21,725	21,592	Jackson	\$59,438,243

Blue Island	22,038	21,668	21,494	Cook	\$16,988,176
Geneva	21,284	21,218	21,129	Kane	\$32,364,209
Grayslake	21,144	20,999	20,954	Lake	\$33,931,478
Frankfort	20,518	20,687	20,907	Will	\$26,346,105
East Moline	21,098	20,873	20,806	Rock Island	\$42,222,639
Park Forest	21,252	20,915	20,763	Will	\$27,448,701
South Holland	20,991	20,641	20,483	Cook	\$35,786,286
Dolton	20,927	20,575	20,410	Cook	\$32,602,364
Libertyville	20,527	20,420	20,332	Lake	\$44,524,557
Crest Hill	20,348	20,169	20,118	Will	\$29,576,035
Mokena	19,870	19,765	19,759	Will	\$0
Lake Zurich	19,701	19,642	19,676	Lake	\$33,787,104
Harvey	19,874	19,545	19,397	Cook	\$20,119,548
Lake Forest	19,325	19,271	19,354	Lake	\$50,342,476
North Aurora	18,349	18,403	19,022	Kane	\$28,578,848
Evergreen Park	19,496	19,170	19,010	Cook	\$32,083,960
Deerfield	19,088	18,966	18,884	Lake	\$62,118,459
Ottawa	18,816	18,683	18,752	La Salle	\$28,724,782
Sycamore	18,678	18,652	18,682	DeKalb	\$10,447,090
Brookfield	19,064	18,734	18,591	Cook	\$28,189,186
Homewood	19,009	18,692	18,540	Cook	\$37,296,962
Round Lake	18,632	18,512	18,430	Lake	\$13,193,821
Shorewood	18,277	18,276	18,369	Will	\$23,873,781
Bensenville	18,588	18,415	18,352	DuPage	\$36,036,653
Matteson	18,680	18,398	18,293	Cook	\$33,605,742
Alsip	18,638	18,326	18,198	Cook	\$31,242,514
Bourbonnais	18,013	18,011	18,042	Kankakee	\$21,879,409
Cary	17,865	17,819	17,977	McHenry	\$18,721,889
Bellwood	18,360	18,042	17,890	Cook	\$37,619,800
Franklin Park	18,336	18,020	17,871	Cook	\$36,350,500
Palos Hills	18,134	17,843	17,759	Cook	\$25,723,473
East St. Louis	18,185	17,884	17,642	St Clair	\$0
Lemont	17,648	17,611	17,575	Cook	\$28,642,761
Morton	17,131	17,296	17,469	Tazewell	\$18,092,602
Hinsdale	17,284	17,243	17,297	DuPage	\$29,449,937
Jacksonville	17,497	17,321	17,237	Morgan	\$21,346,300
Cahokia Heights	17,622	17,336	17,114	St Clair	\$13,427,947
Charleston	17,251	17,124	17,028	Coles	\$18,910,303

Marion	16,738	16,695	16,852	Williamson	\$20,042,640
Mattoon	16,867	16,672	16,560	Coles	\$7,835,081
Bridgeview	16,685	16,432	16,324	Cook	\$29,648,674
Fairview Heights	16,471	16,297	16,125	St Clair	\$0
Westchester	16,510	16,228	16,094	Cook	\$31,615,970
Country Club Hills	16,408	16,136	16,013	Cook	\$26,476,117
Washington	15,980	15,848	15,833	Tazewell	\$8,881,059
La Grange	15,988	15,786	15,667	Cook	\$20,514,300
Prospect Heights	15,703	15,452	15,334	Cook	\$24,767,959
Bradley	15,291	15,221	15,263	Kankakee	\$36,033,175
Dixon	15,314	15,212	15,096	Lee	\$31,356,095
Warrenville	14,657	14,840	15,027	DuPage	\$30,044,003
Macomb	14,859	14,886	14,849	McDonough	\$18,518,775
Antioch	14,831	14,791	14,833	Lake	\$17,505,865
Shiloh	14,326	14,505	14,736	St Clair	\$9,507,125
Norridge	14,983	14,740	14,620	Cook	\$38,511,779
Chatham	14,467	14,441	14,525	Sangamon	\$12,311,283
Sterling	14,752	14,541	14,508	Whiteside	\$31,917,868
Morris	14,355	14,393	14,508	Grundy	\$20,534,636
Swansea	14,218	14,082	14,472	St Clair	\$18,992,597
Lindenhurst	14,328	14,332	14,339	Lake	\$11,369,819
Mount Vernon	14,495	14,295	14,247	Jefferson	\$22,399,716
Channahon	13,777	13,944	14,138	Will	\$17,314,560
Wauconda	14,028	13,949	13,891	Lake	\$23,780,231
Hickory Hills	14,200	13,981	13,884	Cook	\$49,923,715
Glen Carbon	13,887	13,865	13,868	Madison	\$11,530,792
Chicago Ridge	14,114	13,940	13,834	Cook	\$0
Wood Dale	13,918	13,811	13,774	DuPage	\$0
Midlothian	14,002	13,783	13,675	Cook	\$18,931,152
Forest Park	14,005	13,771	13,660	Cook	\$23,725,391
Western Springs	13,399	13,278	13,290	Cook	\$19,225,654
Lincoln	13,282	13,119	13,072	Logan	\$10,366,401
La Grange Park	13,190	12,981	13,011	Cook	\$19,488,768
Minooka	12,812	12,831	12,879	Grundy	\$14,696,255
Canton	13,167	13,022	12,875	Fulton	\$15,642,049
Lincolnwood	13,168	12,961	12,872	Cook	\$28,210,688
Hazel Crest	13,084	12,871	12,771	Cook	\$25,562,352
Plano	12,196	12,495	12,676	Kendall	\$9,031,683

Richton Park	12,502	12,417	12,322	Cook	\$20,359,392
Winnetka	12,504	12,347	12,292	Cook	\$39,620,072
Northlake	12,569	12,369	12,270	Cook	\$36,956,789
Streator	12,415	12,282	12,269	La Salle	\$13,890,337
Effingham	12,258	12,201	12,258	Effingham	\$21,416,651
Kewanee	12,382	12,272	12,222	Henry	\$9,927,708
Herrin	12,258	12,174	12,178	Williamson	\$30,127,603
Justice	12,351	12,172	12,081	Cook	\$14,357,910
Rantoul	12,193	12,103	11,956	Champaign	\$0
Centralia	12,069	11,929	11,848	Marion	\$12,274,403
Palos Heights	11,793	11,603	11,515	Cook	\$0
River Forest	11,493	11,310	11,227	Cook	\$28,981,851
Troy	11,041	11,140	11,209	Madison	\$11,408,760
Schiller Park	11,449	11,258	11,164	Cook	\$25,417,908
Waterloo	11,080	11,118	11,144	Monroe	\$9,061,373
Pingree Grove	10,751	11,035	11,137	Kane	\$1,204,821
Markham	11,408	11,218	11,129	Cook	\$24,971,048
Burr Ridge	11,131	11,034	11,023	DuPage	\$23,714,774
Pontiac	11,161	11,090	11,010	Livingston	\$11,703,817
Columbia	10,993	10,964	10,933	Monroe	\$10,048,648
Roscoe	10,906	10,842	10,843	Winnebago	\$6,799,518
Fox Lake	10,942	10,861	10,805	Lake	\$23,016,992
Campton Hills	10,862	10,782	10,795	Kane	\$5,049,381
Summit	10,898	10,707	10,616	Cook	\$11,869,421
Manhattan	10,041	10,339	10,547	Will	\$4,674,965
Worth	10,730	10,567	10,494	Cook	\$14,586,347
Barrington	10,655	10,537	10,476	Cook	\$24,086,866
Crestwood	10,603	10,457	10,387	Cook	\$2,839,899
Lyons	10,574	10,392	10,304	Cook	\$9,204,874
River Grove	10,553	10,369	10,282	Cook	\$14,856,053
Mahomet	9,656	10,048	10,273	Champaign	\$3,535,925
Wood River	10,408	10,335	10,270	Madison	\$11,341,665
Taylorville	10,382	10,293	10,247	Christian	\$8,983,886
Riverdale	10,420	10,242	10,159	Cook	\$6,173,428
Winfield	10,142	10,053	10,054	DuPage	\$14,435,042
Highland	10,030	10,000	9,961	Madison	\$14,843,279
Peru	9,884	9,784	9,780	La Salle	\$9,297,543
Sauk Village	9,715	9,559	9,491	Cook	\$6,229,429

La Salle	9,526	9,431	9,432	La Salle	\$9,198,148
Hawthorn Woods	9,218	9,314	9,373	Lake	\$6,950,430
Harvard	9,467	9,376	9,356	McHenry	\$18,684,861
Itasca	9,447	9,371	9,346	DuPage	\$20,723,594
Rochelle	9,373	9,342	9,319	Ogle	\$14,935,327
Steger	9,464	9,335	9,283	Cook	\$5,501,713
Flossmoor	9,483	9,320	9,252	Cook	\$19,102,742
Sugar Grove	9,248	9,178	9,210	Kane	\$6,361,474
Manteno	9,179	9,163	9,178	Kankakee	\$13,047,912
Bethalto	9,267	9,200	9,170	Madison	\$8,864,990
Willowbrook	9,138	9,062	9,038	DuPage	\$28,389,095
Lynwood	8,998	8,984	9,025	Cook	\$2,505,363
Mascoutah	8,688	8,620	8,916	St Clair	\$7,527,573
Riverside	9,082	8,921	8,845	Cook	\$13,380,145
Gilberts	8,376	8,629	8,772	Kane	\$7,222,364
Harwood Heights	8,857	8,704	8,632	Cook	\$24,687,275
Lake Villa	8,702	8,656	8,625	Lake	\$8,570,262
Rock Falls	8,723	8,602	8,600	Whiteside	\$7,172,796
Glencoe	8,707	8,595	8,570	Cook	\$43,333,449
Monmouth	8,771	8,657	8,567	Warren	\$9,330,746
Clarendon Hills	8,641	8,575	8,562	DuPage	\$10,842,847
Olney	8,671	8,550	8,512	Richland	\$7,405,264
Crete	8,411	8,336	8,316	Lake	\$10,004,127
Maryville	8,275	8,312	8,316	Madison	\$0
Glenwood	8,474	8,334	8,268	Cook	\$14,381,633
Jerseyville	8,295	8,250	8,263	Jersey	\$7,351,742
Hampshire	7,778	7,811	8,086	Kane	\$4,030,729
Oak Brook	8,096	8,035	8,049	DuPage	\$44,324,859
Paris	8,157	8,063	8,039	Edgar	\$7,040,035
Island Lake	8,026	7,956	7,992	Lake	\$3,470,193
Hillside	8,124	7,987	7,923	Cook	\$23,271,072
Lincolnshire	7,958	7,938	7,912	Lake	\$30,048,574
Harrisburg	8,066	7,972	7,907	Saline	\$6,856,739
Silvis	7,955	7,894	7,896	Rock Island	\$10,283,197
South Beloit	7,938	7,891	7,893	Winnebago	\$5,922,610
West Dundee	7,821	7,918	7,878	Kane	\$16,394,412
Park City	7,881	7,857	7,842	Lake	\$5,173,299
Rockton	7,815	7,767	7,768	Winnebago	\$10,027,782

Broadview	7,968	7,830	7,762	Cook	\$30,966,671
Round Lake Park	7,688	7,709	7,724	Lake	\$10,679,623
Princeton	7,735	7,718	7,700	Bureau	\$11,249,258
Marengo	7,581	7,560	7,608	McHenry	\$7,893,964
Vandalia	7,436	7,386	7,358	Fayette	\$6,192,720
Sandwich	7,204	7,156	7,212	DeKalb	\$7,631,221
West Frankfort	7,215	7,169	7,145	Franklin	\$5,863,020
North Riverside	7,254	7,129	7,071	Cook	\$21,273,788
Salem	7,202	7,108	7,056	Marion	\$9,095,536
Robinson	7,143	7,077	7,010	Crawford	\$3,984,131
University Park	7,094	7,022	7,002	Will	\$5,437,479
Greenville	7,028	7,025	6,979	Bond	\$5,720,809
Murphysboro	7,038	7,015	6,963	Jackson	\$2,923,187
Mendota	7,009	6,934	6,929	La Salle	\$8,910,255
Clinton	6,930	6,905	6,898	DeWitt	\$8,061,629
Stickney	6,965	6,854	6,803	Cook	\$5,764,418
Mount Carmel	6,913	6,809	6,751	Wabash	\$268,244
Chester	6,817	6,772	6,732	Randolph	\$2,459,198
Calumet Park	6,857	6,741	6,685	Cook	\$6,491,578
Litchfield	6,729	6,677	6,614	Kankakee	\$7,349,892
Benton	6,649	6,608	6,598	Franklin	\$5,546,226
Winthrop Harbor	6,665	6,625	6,594	Lake	\$4,500,304
Orland Hills	6,739	6,628	6,578	Cook	\$1,955,190
Elburn	6,297	6,402	6,559	Kane	\$3,191,917
Geneseo	6,509	6,540	6,525	Henry	\$12,134,704
Johnsburg	6,376	6,358	6,384	McHenry	\$6,515,745
Lakemoor	6,240	6,278	6,338	Lake	\$4,136,050
Braidwood	6,189	6,159	6,173	Will	\$5,857,534
Countryside	6,289	6,192	6,147	Cook	\$40,947,848
Monticello	6,000	5,982	6,018	Piatt	\$0
Chillicothe	6,049	5,988	5,977	Peoria	\$3,984,520
Mount Zion	5,967	5,909	5,878	Macon	\$3,851,026
Carterville	5,821	5,798	5,808	Williamson	\$1,433,968
Pontoon Beach	5,841	5,816	5,804	Madison	\$6,446,273
Coal City	5,745	5,748	5,784	Grundy	\$6,307,170
Metropolis	5,892	5,853	5,782	Massac	\$9,181,677
Bartonville	5,866	5,804	5,779	Peoria	\$5,495,544
Hillsboro	5,838	5,811	5,773	Montgomery	\$2,476,557

Beardstown	5,838	5,769	5,749	Cass	\$1,894,449
Peoria Heights	5,833	5,771	5,747	Peoria	\$5,973,585
Du Quoin	5,853	5,701	5,694	Perry	\$7,770,319
Willow Springs	5,739	5,732	5,688	Cook	\$4,657,619
East Alton	5,726	5,674	5,639	Madison	\$2,423,111
Wilmington	5,635	5,583	5,568	Will	\$8,299,096
Northfield	5,645	5,566	5,543	Cook	\$26,507,329
Lake Bluff	5,590	5,555	5,534	Lake	\$13,747,343
Carlinville	5,618	5,558	5,531	Macoupin	\$4,990,661
Spring Grove	5,510	5,482	5,512	McHenry	\$4,896,672
Spring Valley	5,490	5,464	5,442	Bureau	\$6,177,109
Genoa	5,330	5,360	5,437	DeKalb	\$4,284,187
Posen	5,468	5,375	5,334	Cook	\$5,336,709
Highwood	5,377	5,334	5,304	Lake	\$6,662,424
Eureka	5,180	5,172	5,186	Woodford	\$1,929,684
Monee	5,110	5,087	5,097	Lake	\$6,263,448
Berkeley	5,220	5,131	5,089	Cook	\$12,648,001
Pana	5,135	5,082	5,049	Christian	\$4,228,056
Pinckneyville	5,078	4,995	4,995	Perry	\$1,546,096
Colona	5,021	4,982	4,977	Henry	\$4,412,285
South Barrington	5,022	4,979	4,974	Cook	\$16,584,836
Milan	5,044	4,987	4,968	Rock Island	\$14,904,557
Staunton	5,008	4,970	4,951	Macoupin	\$1,992,613
Creve Coeur	4,892	4,846	4,828	Tazewell	\$2,450,824
Marseilles	4,806	4,760	4,773	La Salle	\$6,016,657
Palos Park	4,850	4,787	4,765	Cook	\$5,342,491
Fairfield	4,807	4,768	4,738	Lake	\$3,087,481
Hoopeston	4,841	4,764	4,731	Vermillion	\$4,228,118
Flora	4,760	4,733	4,711	Clay	\$2,938,298
Carmi	4,819	4,758	4,688	White	\$1,170,452
Fox River Grove	4,688	4,640	4,619	McHenry	\$1,433,384
Shelbyville	4,642	4,600	4,560	Shelby	\$3,804,300
Olympia Fields	4,628	4,556	4,530	Cook	\$13,109,183
Watseka	4,624	4,572	4,510	Iroquois	\$4,860,855
Robbins	4,557	4,506	4,493	Cook	\$0
Stone Park	4,483	4,416	4,402	Cook	\$0
Kildeer	4,158	4,252	4,377	Lake	\$7,565,745
Caseyville	4,392	4,381	4,359	St Clair	\$2,898,612



Lawrenceville	4,234	4,201	4,245	Lawrence	\$3,826,754
Peotone	4,184	4,178	4,187	Will	\$3,694,235
Anna	4,207	4,164	4,136	Union	\$1,486,596
Barrington Hills	4,066	4,014	4,018	Cook	\$15,930,662
Burnham	3,961	3,898	3,869	Cook	\$1,659,779
South Chicago Heights	3,931	3,865	3,835	Cook	\$0
Oglesby	3,683	3,642	3,639	La Salle	\$2,742,777
Eldorado	3,676	3,635	3,607	Saline	\$581,092
East Dundee	3,155	3,132	3,115	Kane	\$12,418,096
Madison	3,115	3,088	3,065	Madison	\$4,248,234
Cherry Valley	2,881	2,867	2,864	Winnebago	\$10,792,054
Savanna	2,768	2,730	2,712	Carroll	\$1,812,263
Oakbrook Terrace	2,725	2,698	2,690	DuPage	\$22,005,905
Washington Park	2,549	2,517	2,493	St Clair	\$0
Kenilworth	2,456	2,420	2,401	Cook	\$10,294,536
Wayne	2,262	2,240	2,246	DuPage	\$2,139,988
Cairo	1,669	1,607	1,558	Alexander	\$456,146
Hodgkins	1,481	1,467	1,464	Cook	\$22,288,300
Venice	1,480	1,467	1,457	Madison	\$0
Forest View	775	763	756	Cook	\$8,308,519
Mccook	245	241	237	Cook	\$11,310,422
					<b>\$10,539,071,823</b>

## Article 3 Funds Population by Range

For the Fiscal Year ending June 30, 2024

Population of Municipality	Number of Article 3 Funds
0 – 10,000	138
10,001 – 25,000	132
25,001 – 50,000	59
50,001 – 100,000	21
101,000 – 500,000	7
<b>Total</b>	<b>357</b>

\* Data provided by [www.illinois-demographics.com](http://www.illinois-demographics.com) which indicates the information source is population data from the 2022 Population Estimates Program and 2021 American Community Survey.



## Changes In Fiduciary Net Position

### Last Five Fiscal Years

Fiscal Year	2020*	2021	2022	2023	2024
Additions					
Contributions					
Member Fund Cash Transfers	\$ —	\$ —	\$ —	\$456,489,074	\$542,144,531
Member Fund Investment Transfers	—	—	2,867,186,760	5,725,925,760	13,100,419
Total Contributions			2,867,186,760	6,182,414,834	555,244,950
<b>Investment Income</b>					
Interest Income and Dividend Income	—	261	4,055,439	62,030,821	61,782,203
Net Appreciation (Depreciation) in Fair Value of Investments	—	—	(131,371,365)	579,855,103	1,050,834,307
Total Investment Income (Loss)	—	261	(127,315,926)	641,885,924	1,112,616,510
Less Investment Expenses	—	(139,188)	(1,375,257)	(2,500,909)	(2,992,322)
Net Investment Income (Loss)	—	(138,927)	(128,691,183)	639,385,015	1,109,624,188
Total Additions	—	(138,927)	2,738,495,577	6,821,799,849	1,664,869,138
<b>Deductions</b>					
Administrative Expenses					
Board of Trustees	15,483	157,227	69,407	75,150	88,684
Administrative Operations	47,716	707,778	1,498,749	2,366,515	1,953,016
Investment Operations	—	58,050	1,053,805	1,149,284	878,387
Total Administrative Expenses	63,199	923,055	2,621,961	3,590,949	2,920,087
Participating Fund Withdrawals	—	—	—	166,361,315	510,966,336
Total Deductions	63,199	923,055	2,621,961	169,952,264	513,886,423
Net Increase (Decrease)	(63,199)	(1,061,982)	2,735,873,616	6,651,847,585	1,150,982,715
<b>Net Position Held In Trust For Pool Participants</b>					
July 1	—	(63,199)	(1,125,181)	2,734,748,435	9,386,596,020
June 30	\$(63,199)	\$(1,125,181)	\$2,734,748,435	\$9,386,596,020	\$10,537,578,735

Data Source: Audited Financial Statements

\* For the period January 1, 2020 (Inception) through June 30, 2020



## Principal Employers

### Current Year and Nine Years Ago

2022*			
Employer	Employees	Rank	% of Total State Employment
State of Illinois	63,022	1	1.06%
U.S. Government	51,400	2	0.87%
Chicago School Board	41,362	3	0.70%
McDonald's Corporation	36,582	4	0.62%
City of Chicago	35,203	5	0.59%
Ascension Health Alliance	33,864	6	0.57%
University of Illinois	31,763	7	0.54%
Walgreens Boots Alliance, Inc.	31,010	8	0.52%
County of Cook	30,201	9	0.51%
Albertsons Companies, Inc.	29,191	10	0.49%
	<b>383,598</b>		<b>6.47%</b>

2013*			
Employer	Employees	Rank	% of Total State Employment
State of Illinois	62,836	1	1.05%
U.S. Government	52,700	2	0.88%
Wal-Mart	49,471	3	0.82%
AB Acquisitions LLC	45,439	4	0.76%
Chicago School Board	40,145	5	0.67%
Walgreen Co.	32,043	6	0.53%
City of Chicago	31,977	7	0.53%
University of Illinois	29,485	8	0.49%
U.S. Postal Service	28,500	9	0.47%
USF Holding Corp.	26,487	10	0.44%
	<b>399,083</b>		<b>6.64%</b>

\* 2022 is the most recent information available

Data Sources: State of Illinois Annual Comprehensive Financial Report June 30, 2022



# Demographic and Economic Statistics

## Last Ten Fiscal Years

Fiscal Year Ended June 30,	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2014	12,885,092	\$618,719,800,000	\$47,708	8.4%
2015	12,859,585	649,016,800,000	50,043	6.1%
2016	12,821,709	661,880,500,000	51,091	6.2%
2017	12,779,893	674,597,900,000	52,153	5.3%
2018	12,724,685	711,312,000,000	55,126	4.6%
2019	12,667,017	735,666,800,000	57,180	4.6%
2020	12,790,357	755,856,000,000	58,955	3.7%
2021	12,690,341	878,119,300,000	69,012	7.2%
2022	12,582,515	844,687,500,000	66,933	4.7%
2023	12,549,689	891,143,500,000	70,940	4.4%

\* 2023 is the most recent information available

**Note:** Information presented is representative of the State of Illinois as a whole.

### Data Sources

- (1) U.S. Census Bureau, Resident Population in Illinois [ILPOP], retrieved from FRED, Federal Reserve Bank of St. Louis
- (2) U.S. Bureau of Economic Analysis and Federal Reserve Bank of St. Louis, Total Personal Income in Illinois [ILOTOT], retrieved from FRED, Federal Reserve Bank of St. Louis
- (3) U.S. Bureau of Economic Analysis and Federal Reserve Bank of St. Louis, Per Capita Personal Income in Illinois [ILOPCI], retrieved from FRED, Federal Reserve Bank of St. Louis
- (4) U.S. Bureau of Labor Statistics, Unemployment Rate in Illinois [ILUR], retrieved from FRED, Federal Reserve Bank of St. Louis





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Illinois Police Officers' Pension Investment Fund  
456 Fulton Street, Suite 402  
Peoria, Illinois 61602



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

TO: Board of Trustees

FROM: Richard White, Executive Director  
Regina Tuczak, Chief Financial Officer

RE: Agenda Item 3.3 – Financial and Operational Policies Review FY 2024

DATE: December 13, 2024

**RECOMMENDATION:** Discussion purposes only.

Per the Audit and Budget Committee Policy (PP 2020-09), the Audit & Budget Committee’s responsibilities include the following:

*Meet with the Executive Director, Chief Investment Officer and Chief Financial Officer, at least annually, to discuss the effectiveness of the internal financial and operational control policies and compliance with all financial and regulatory reporting requirements. It is suggested that this annual review be held in conjunction with the review of the Annual Comprehensive Financial Report (ACFR)*

The following information is presented to the Board of Trustees in conjunction with the review of the ACFR as an Audit and Budget Committee meeting is not scheduled until the first quarter of calendar 2025.

**Internal Financial and Operational Controls**

With respect to the effectiveness of the internal financial and operational control policies, please note that the following financial and operational procedures have been transitioned or assumed by the Finance and Accounting operations during Fiscal Year 2024.

**July 1, 2023**

**General Ledger and Financial Statement Preparation** performed in-house utilizing Accounting CS software, a product of Thomson Reuters.

**Control Summary:** Beginning balances populated from a back-up file provided by L&A. Platform is virtual and user licenses are provided to the ED, CFO, and Senior Accountant (Sr Acct). All journal entries and monthly financials are prepared by the Sr Acct. Monthly reconciliations to source data are prepared by the Sr Acct and reviewed by the CFO prior to finalization and presentation to the Board. Currently the NRS extracts are the basis of all investment-related entries. It is anticipated that custodial records will eventually be integrated into the journal entry and reconciliation process for investment entries.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### July 1, 2023 (continued)

**Cash Management of Participant Funds** is performed by the Finance/Accounting team (assumed from the Investments team).

**Control Summary:** Withdrawals are input and approved locally before approval by the CFO. Prior to approval, the CFO reviews a tracking worksheet of participant fund balances and outstanding withdrawals prepared by the Sr Acct. Each withdrawal request is compared to source eCFM documentation to ensure appropriate routing to receiving bank. Receipts of cash are input by the Sr Acct and approved by the CFO daily based on clean cash receipts on State Street custody reporting. Communication on all matters is copied to a [CashInvestment@ipopif.org](mailto:CashInvestment@ipopif.org) mailbox. Over 3,850 transactions were processed in Fiscal Year 24.

### August 2023

**Review of NRS Extract for Cash Reconciliation and Submission of Contact List Changes** is performed by the Finance/Accounting team (assumed from the Investments team).

**Control Summary:** The NRS Cash Flow reconciliation is prepared by the Sr Acct and confirms the categorization of the cash contributions, investment transfers, and cash withdrawals for each Police Pension Fund on the NRS statements and agreement to the cash activity on the eCFM portal at State Street Bank for each respective participant fund. The reconciliation is reviewed by the CFO prior to distribution of the statements to the participant funds.

Changes to the contact list for distribution of monthly statements, are sourced from eCFM submissions. An excel workbook maintaining all participant pension funds and contacts was transferred from the Investments team and has been maintained by Finance/Accounting team. The contact list is updated by the Sr Acct and reviewed by the CFO prior to submission to NRS for monthly statement distribution. Effective August of 2023, the Sr Acct and CFO have administrative access to the NRS user account database.

### August 1, 2023 – October 1, 2023

**Management and Verification of eCFM Submissions** is performed by the Finance/Accounting team (management of eCFM submissions was previously performed by the Investments Team and verification of eCFM submissions was managed by L&A).

**Control Summary:** eCFM submissions are logged onto an eCFM tracking log. Verification procedures include emails and phone calls to Authorized Agents of Participant Funds to confirm changes and compare information submitted to Participant Fund Board Resolutions. The Sr Acct and CFO meet weekly to discuss status and outstanding issues. The CFO reviews all approved changes prior to submission to State Street for processing. Submission to State Street has been consolidated to one data file effective Friday of each week (or bi-weekly in some cases).





## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

NOTE: While verification of eCFM submissions is an important control with regards to user access and banking changes, the verification process is under review for process improvements. Often there is only one Authorized Agent that can verify changes, or an Authorized Agent is verifying his/her own information. This leads to delays in submissions or misunderstandings of the process to submit and confirm changes.

### **January 2024**

**Filing of Forms 1099 NEC** is performed by the Finance/Accounting team (assumed from L&A).

***Control Summary:*** Accounting CS software was originally populated with a backup file from L&A and included prior tax filing submissions. Fund staff contacted all vendors and requested new Forms W-9 to appropriately prepare the 2023 submissions. The filings were prepared by the Sr. Acct and reviewed by the CFO. All filings were sent by the IRS deadline.

### **October 2023 – June 2024**

**Payment of all Personnel-related Benefits through Lake Forest Bank** is now performed by the Finance/Accounting team (assumed from L&A).

***Control Summary:*** Payroll reports are uploaded by the Chief Financial Officer into a Teams folder accessed by the Executive Director to support remittances of employee contributions for health benefits. Invoices for premiums from health benefit vendors are received from the outsourced HR provider and used to remit payments through Lake Forest Bank. All payments are input by the Chief Financial Officer and approved by the Executive Director.

Evaluation of the procedures and related internal controls continues to be under review for improvements and efficiencies. Further changes are anticipated as part of the Strategic Plan for Finance and Accounting.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## **Financial and Regulatory Reporting Requirements**

In accordance with the Pension Code (40 ILCS 5/22B-125), the following submissions are to be made:

### *Quarterly Submissions*

(b) For the quarterly periods ending September 30, December 31, and March 31, the Fund shall submit to the participating pension funds and to the Department of Insurance a report providing, among other things, the following information:

- (1) a full description of the investments acquired, showing average costs;
- (2) a full description of the securities sold or exchanged, showing average proceeds or other conditions of an exchange;
- (3) gains or losses realized during the period;
- (4) income from investments; and
- (5) administrative expenses.

### *Annual Submission*

(c) An annual report shall be prepared by the Fund for submission to the participating pension funds and to the Department of Insurance within 6 months after the close of each fiscal year. A fiscal year shall date from July 1 of one year to June 30 of the year next following. This report shall contain full information concerning the results of investment operations of the Fund. This report shall include the information described in subsection (b) and, in addition thereto, the following information:

- (1) a listing of the investments held by the Fund at the end of the year, showing their book values and market values and their income yields on market values;
- (2) comments on the pertinent factors affecting such investments;
- (3) a review of the policies maintained by the Fund and any changes that occurred during the year;
- (4) a copy of the audited financial statements for the year;
- (5) recommendations for possible changes in this Article or otherwise governing the operations of the Fund; and
- (6) a listing of the names of securities brokers and dealers dealt with during the year showing the total amount of commissions received by each on transactions with the Fund.

In addition to these requirements, an excel workbook was provided by the Illinois Department of Insurance (IDOI) to the Fund which details the format requested for the quarterly submissions.

Fund staff submitted the excel workbook to State Street and have been working with them on the investment requirements.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

For the year ended June 30, 2023, the investment detail provided by State Street was reconciled to the financial statements and the recordkeeping reports provided by Northeast Retirement Systems. The files were very large and could not be submitted through email. The files were eventually submitted to the Illinois Department of Insurance portal with an indication that the submission intended to satisfy the quarterly and annual submission requirements through fiscal year 2023. Given the large size of the files, the Fund did not distribute the data to the participant funds as stated in 40 ILCS 5/22B-125(c). No further inquiries regarding this data were received from the Illinois Department of Insurance or the participant funds.

Similar data files and reconciliations have been prepared for the year ended June 30, 2024. IPOPIF staff is reviewing the information prepared by State Street and expects to submit to the Illinois Department of Insurance portal by December 31, 2024, with a similar indication that the files are intended to satisfy the quarterly and annual submission requirements through fiscal year 2024. When the Senior Accountant and Auditor is hired, the job responsibilities will include a thorough review of the quarterly investment files prepared by State Street to ensure that quarterly submissions of this information to the Illinois Department of Insurance can be completed.



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

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

**Friday, October 18, 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.

#### **Members of the 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:**

#### **IPOP Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/Assistant Executive Director
- 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
- Tim McEnery, Verus
- Samantha Grant, Verus
- Scott Whalen, Verus (Zoom)
- Kim Shepherd, Shepherd Communications (Zoom)
- Bukola Bello, Vision MAI
- Vivian Thurston, CFA, William Blair
- Kelly Allison, CFA, William Blair
- A. Rama Krishna, CFA, ARGA Investment Management, LP
- Justin Moulder, ARGA Investment Management, LP
- Justin Moore, CFA, Man Numeric
- Keith Wosnecki, Man Numeric
- Rory Ellis, Man Numeric
- Pooja Malik, CFA, Nipun Capital
- Members of the Public

**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 9:04 A.M.

## Roll Call

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

A roll call was conducted. Seven (7) Trustees were present in the meeting room. One (1) Trustee joined via Zoom, and 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
- Lee Catavu, Secretary
- Scott Bowers
- Brad Cole
- Daniel Hopkins
- Mark Poulos

Absent

- Michael Inman
- Elizabeth Holleb

All individuals present are reflected in the list of attendees.

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.

A motion was made by Trustee Hopkins and seconded by Trustee Cole to allow Trustee Holleb to participate in the October 18, 2024, meeting of the Board of Trustees by audio, video, or internet conferencing.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, and Cole

Nayes- None

Absent- Trustees Holleb and Inman

Trustee Holleb joined the meeting via Zoom at 9:05 A.M.

Trustee Inman joined the meeting at 10:45 A.M.

## **Board of Trustees**

### 3.1- Board of Trustees Meeting Minutes- September 13, 2024: Discussion and Potential

#### Action:

Executive Director White presented the Board of Trustees Meeting Minutes from September 13, 2024, to the Board of Trustees and recommended they be approved.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve the Board of Trustees Meeting Minutes from September 13, 2024.

Motion carried by roll call vote.

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

Nayes- None

Absent- Trustee Inman

### 3.2- Board of Trustees Closed Session Minutes- June 14, 2024, July 19, 2024, and September 13, 2024: Discussion and Potential Action:

Chairperson Suess directed that this item be deferred to the next meeting.

3.3- Board of Trustees 2025 Meeting Calendar: Discussion and Potential Action:

Executive Director White presented a calendar of Board of Trustee Meeting dates and Committee Meeting dates to the Board of Trustees. These dates are proposed dates and are subject to change if necessary.

Executive Director White answered all questions.

A motion was made by Trustee Cole and seconded by Trustee Bowers to approve the Board of Trustees and Committee Meeting schedule for 2025.

Motion carried by roll call vote.

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

Nays- None

Absent- Trustee Inman

3.4- Strategic Plan Update: Discussion and Potential Action:

Executive Director White reviewed the Strategic Plan vision, mission, and core values with the Board of Trustees and presented the Strategic Plan Goals and Objectives status and deliverables which were achieved during the second and third quarters of 2024.

Chairperson Suess requested that moving forward he would like Executive Director White to list the individual target completion dates for each item.

Executive Director White, CIO Custer, and Chief Financial Officer (CFO) Tuczak answered all questions. No formal action was taken.

## **Investments**

4.1- Investment Update Report: Discussion and Potential Action:

Chief Investment Officer (CIO) Custer provided an investment update including performance, funding and rebalancing, asset allocation, cash flow, Emerging Market Equity (EME) ex-China manager search, Private Credit Manager search, Private Market Consultant search, and the status of the October 1<sup>st</sup> Transition to date.



Trustee Cole asked if the Fund has given any thought to releasing a statement to the public regarding the completion of all of the transitions and an update on the status of the Fund.

CIO Custer answered all questions.

4.2- Emerging Markets (EME) Interviews and Manager Selection: Discussion and Potential Action:

CIO Custer reviewed IPOPIF's approval to search for an active investment manager to manage a 3% allocation to Emerging Market ex-China equities.

The search focused on managers with proven capabilities, size, and operational resources to support IPOPIF's needs.

Due to the absence of established EM ex-China strategies, the Team opened the search to firms with strong EME products that do not yet have established EME ex-China strategies, and firms with modest EME ex-China AUM, but a solid track record and AUM base across their EME strategies. In these cases, the Team considers the most relevant AUM measure to be that of EME + EME ex-China.

Proposal evaluation was conducted in phases with increasing depth. IPOPIF Chief Investment Officer, Kent Custer, and Verus Consultant, Samantha Grant, evaluated the process and results of each phase. A detailed explanation of the candidates eliminated in each phase was provided to the Board of Trustees.

IO Meyer, CIO Custer, and Ms. Grant answered all questions.

At 9:33 A.M. Vivian Thurston, CFA, and Kelly Allison, CFA, from William Blair, presented to the Board of Trustees. Upon conclusion, they answered all questions.

At 10:01 A.M. A. Rama Krishna, CFA, and Justin Moulder, from ARG Investment Management, LP, presented to the Board of Trustees. Upon conclusion, they answered all questions.

At 10:29 A.M. Justin Moore, CFA, Keith Wosnecki, and Rory Ellis, from Man Numeric, presented to the Board of Trustees. Upon conclusion, they answered all questions.

Trustee Inman joined the meeting at 10:45 A.M.

At 10:59 A.M. Pooja Malik, CFA, from Nipun Capital, presented to the Board of Trustees. Upon conclusion she answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Swanlund to approve investments in the ARGA Emerging Markets ex-China Equity Strategy and the William Blair Emerging Markets ex-China Growth strategy, with an allocation of 3.0% of the total IPOPIF Fund to each (6.0% total), and to specifically authorize an exception to Section V.C.3 of the Investment Policy Statement to permit the allocation to exceed 10% of the investment manager's total assets under management for the strategy. This allocation would equate to approximately \$375 million each (\$750M total), based on a projected IPOPIF total fund value of \$12.5 billion.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Bowers, Hopkins, Inman, and Cole

Nayes- Trustee Holleb

Absent- None

Abstain - Poulos

#### 4.3- Private Markets Consultant Search Update: Planning: Discussion and Potential Action:

CIO Custer provided an update regarding the search for a Private Markets Consultant. Proposals are due on November 8<sup>th</sup>. At the December 13 meeting, the Board will select finalists to interview at the January Board meeting.

CIO Custer and answered all questions.

### **Administration**

#### 5.1 Governmental Liaison Report

The agenda item was skipped.

5.2- Administration and Operations Update: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on current and upcoming events. The originally scheduled meetings for November 15, 2024, have been canceled. The next meeting is scheduled for Friday, December 13, 2024, beginning at 10:00 A.M.

Executive Director White answered all questions.

**Finance**

6.1- Monthly Financial Reports: Discussion and Potential Action:

6.1.1 and 6.1.2- Monthly Financial Statements- August 2024 and September 2024:

Chief Financial Officer (CFO) Tuczak presented the August and September Monthly Financial Statements to the Board of Trustees, noting the heavy volume of cash transactions in both months and net asset positions of over \$11.0 billion at the end of each month.

CFO Tuczak answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Swanlund to approve the August 2024, and September 2024, Monthly Financial Statements.

Motion carried by roll call vote.

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

Nayes- None

Absent- None

6.2- Warrants: Discussion and Potential Action

6.2.1 – Warrants #2025-04: Discussion and Potential Action:

CFO Tuczak presented Warrant #2025-04 to the Board of Trustees and recommended approval.

CFO Tuczak answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Hopkins to approve Warrant #2025-04.

Motion carried by roll call vote.

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

Nayes- None

Absent- None

6.3- Finance and Accounting Update: Discussion and Potential Action:

CFO Tuczak presented a finance and accounting update to the Board of Trustees, noting the Agreed-Upon Procedures for the Article 3 Funds included in Tranche 1 commenced on October 1. CFO Tuczak also noted that the Fund's Fiscal Year 2024 external audit is underway.

CFO Tuczak answered all questions.

**General Legal Counsel**

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

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

**Public Comment**

9.0- Public Comment:

An opportunity for public comment was provided at 11:40 A.M. No comments were heard, and no discussion was provided.

**Closed Session (if necessary)**

10.1- Closed/Executive Session-

No closed session was held.

## **Adjournment**

### 12.0- Adjournment:

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

Motion carried by a voice vote.

Ayes- 9

Nayes- None

Absent- None

Meeting adjourned at 11:41 A.M.

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Phil Suess, Chairperson, Board of Trustees

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Lee Catavu, Secretary, Board of Trustees

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



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOPIF BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: BOARD OF TRUSTEES CLOSED SESSION MINUTES**  
**DATE: DECEMBER 13, 2024**

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### RECOMMENDED ACTION(S):

- Motion to approve the Closed Session Meeting Minutes for June 14, 2024, July 19, 2024, and September 13, 2024.
  - Motion to release the Closed Session Meeting Minutes for June 14, 2024, July 19, 2024, and September 13, 2024
- 

The Closed Session Meeting Minutes were provided to the Board of Trustees by General Legal Counsel Reimer.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOP BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: COMMITTEE MEETING SCHEDULE -REVISION  
DATE: DECEMBER 13, 2024

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**RECOMMENDATION:** Approve revision to the Board of Trustees 2025 Meeting Schedule to re-schedule Committee Meetings to March 14, 2025.

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### **DISCUSSION:**

The original approved schedule for the 2025 Committee Meetings was to hold the five committee meetings on February 7, 2025. Upon initial review of the agendas for these five committee meetings, it is recommended that these meetings be re-scheduled for March 14, 2025, which is the same date as the Board of Trustees meeting. It is anticipated that these rescheduled meetings will provide for a more efficient use of the Board's time for the meetings, preparation and travel.

This change applies only to the February Committee meetings with future meetings to be reviewed as these meetings get closer to the actual date.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## IPOPIF BOARD OF TRUSTEES



### 2025 MEETING SCHEDULE

#### BOARD OF TRUSTEE REGULAR MEETINGS

FRIDAY	JANUARY 24
FRIDAY	MARCH 14
FRIDAY	APRIL 11
FRIDAY	JUNE 13
FRIDAY	AUGUST 1
FRIDAY	SEPTEMBER 12
FRIDAY	OCTOBER 17
FRIDAY	DECEMBER 12

#### BOARD OF TRUSTEE COMMITTEE MEETINGS

FRIDAY	<b>MARCH 14</b>
FRIDAY	MAY 9
FRIDAY	NOVEMBER 7

The Board of Trustee Regular meetings and Committee meetings will be held in Peoria, IL.

Please review the IPOPIF website ([www.ipopif.org](http://www.ipopif.org)) for latest meeting schedule, location, times, agendas, and minutes.

Meeting schedule revised by the Board of Trustees on 12/13/2024

Subject to change

456 Fulton Street, Suite 402  
Peoria, IL. 61602  
(309) 280-6464





# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOP BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: GOVERNMENTAL LIAISON REPORT  
DATE: DECEMBER 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

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: RETAINER AGREEMENT – JACOBS, BURNS, ORLOVE & HERNANDEZ, LLP.

DATE: DECEMBER 13, 2024

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**RECOMMENDATION:** Approve the Attorney Retainer Agreement with Jacobs, Burns, Orlove & Hernandez, LLP (JBOH) and authorize the Executive Director to execute the agreement.

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The Board of Trustees retained the services of Jacobs, Burns, Orlove & Hernandez, LLP (JBOH) to perform fiduciary legal counsel duties to the IPOPIF. These services have been provided since 2021 which were originally retained by the Board of Trustees via the RFP process.

The retainer agreement is on a calendar year basis and the 2025 retainer agreement is presented for Board approval. There are no changes or fee increase in the new retainer agreement.

IPOPIF Investment and Administrative Executive Team are very pleased with the services provided by JBOH and supports the extension of the services agreement.

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# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: PROFESSIONAL SERVICES AGREEMENT – LAKE FOREST BANK & TRUST  
DATE: DECEMBER 13, 2024

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### RECOMMENDATION:

Option One: Approve one-time exemption to the Purchasing and Professional Services Contracting Policy (PP-2020-11) Section E-6 Length of Contracts to provide for the Lake Forest Bank and Trust Company contract to extend for a six-year period through 2026.

Option Two: Direct staff to proceed with request for proposal (RFP) for banking services.

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### DISCUSSION:

The IPOPIF and the Lake Forest Bank & Trust (Wintrust Community Bank) entered into a Professional Services Agreement (PSA) to provide the Fund with commercial banking services which were retained after the RFP process on May 8, 2020. The initial agreement was for a two-year period beginning on June 1, 2020, through May 31, 2022. The PSA also provided for a renewal option for an additional two-year period terminating on May 31, 2024.

The commercial banking services provided by Lake Forest Bank & Trust (LFBT) have been instrumental in supporting the start-up of the Fund including the only banking services for the Fund during the period of 2020 through the end of 2022 after which time the Fund was able to transfer many services to the State Street Bank & Trust. The use of State Street Bank and Trust, the IPOPIF custodian bank, as the primary bank was anticipated, as was the use of LFBT accounts although at a reduced rate of use for payments of certain vendors, primarily personnel benefits, and especially for the IPOPIF payroll. This banking relationship is important to the Fund.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

As noted, the PSA ended on May 31, 2024, although the relationship between the Fund and LFBT continued uninterrupted from this date to the present. Unfortunately, neither the Fund nor LFBT realized the expiration date of the PSA until it was recently noted during the preparation of the Annual Comprehensive Financial Report.

The Fund and the LFBT communicated regarding this issue and an extension of the PSA was executed on November 19, 2024 with a term of June 1, 2024 through May 31, 2026 under the same terms that are presently contained in the current Agreement, except for one change to the current interest rate of 0.10% which will be converted to an Earnings Credit Rate of 0.30% on deposits which minimally impacts the Fund due to the low balances kept in these accounts. Consistent with initial agreement, the extension allows for termination with 30 days written notice.

This extension was important to allow for the continuation of banking services to the Fund and was reviewed by the General Legal Counsel and Chief Financial Officer during this process.

As noted above, although the Purchasing and Professional Services Contracting Policy (PP-2020-11) Section B-6 Length of Contracts provides the guideline that contracts cannot exceed a five-year consecutive period, which in this instance would run through May 31, 2025, there is no statutory provision that a banking services contract exceed five years as the statutory provision on length of contracts applies solely to investment consultant relationships. (40 ILCS 5/1-113.14(d)).

This request is for the Board of Trustees to approve an one-time exemption to this policy which will allow the Lake Forest Bank and Trust Company contract to extend for a six-year period through May 31, 2026.

The Fund intends to review and examine potential improvements in banking services for this Fund and our Article 3 police pension funds and this added time will be needed for this study.

Staff anticipates that an RFP for banking services will be issued within this two-year period with the extension of time into 2026 providing the staff with the necessary time to analyze the requirements for the Fund, develop the RFP for issuance and return the item to the Board of Trustees for approval of these banking services.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

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

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### RECOMMENDATION:

Approve the Employee Handbook, revised as of January 1, 2025:

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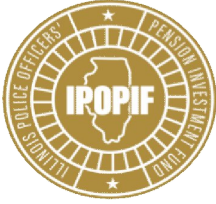
### **Background:**

Revisions to the Employee Handbook, to be effective January 1, 2025, were provided by Taylor Muzzy, Fiduciary Legal Counsel which incorporate statutory changes as described below. These changes are on pages 2-3 and 11-12 of the handbook which is included in the materials for review.

### **Illinois Personnel Records Review Act**

Effective January 1, 2025, the Illinois Personnel Records Review Act will be amended as follows:

- Employees have a right to not only inspect their personnel records, but also to copy and receive copies upon making a written request (which can be by email or text message). The types of personnel records which can be requested has been expanded.
- Employees must identify what records the employee is requesting and specify whether the employee is requesting to inspect, copy, or receive copies of records. If an inspection of records is being requested, the request must specify by whom (employee can designate a representative); and if the records being requested include medical information, a signed waiver must be included with the request.
- Employers are required to produce requested records within seven *working* days after receipt of a request. However, if the employer can reasonably show that such deadline cannot be met, the employer may have an additional seven *calendar* days to comply.
- If the Illinois Department of Labor does not resolve an employee's administrative complaint regarding a violation of the Act within 180 calendar days, and IDOL certifies in writing that it is unlikely to resolve the complaint within 180 calendar days, then the employee can bring an action in circuit court to compel compliance.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### Illinois Human Rights Act

Effective January 1, 2025, the Illinois Human Rights Act will be amended as follows:

- The IHRA will now prohibit discrimination and/or harassment based on two new protected classes – (1) reproductive health decisions (use of contraception, fertility or sterilization care, assisted reproductive technologies, miscarriage care, healthcare related to continuation/termination of pregnancies, prenatal, intranatal, or postnatal care; and (2) family responsibilities (providing personal care to a family member).
- With respect to family responsibilities, employers are *not* required to make accommodations or modifications to, nor are they precluded from enforcing, reasonable workplace rules or policies related to leave, scheduling, productivity, attendance, absenteeism, timeliness, or work performance.
- The statute of limitations for an Illinois claim will increase from 300 days to two years from the date of an alleged violation.



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

# **IPOPIF EMPLOYEE HANDBOOK**

Revised Effective: January 1, 2025~~July 1, 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  
January 1, 2025~~July 1, 2024~~





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**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.



## 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, reproductive health decisions, family responsibilities, 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. With respect to the family responsibilities protected status, IPOPIF is not required to make accommodations or modifications to, nor is it precluded from enforcing, its rules and policies related to leave, scheduling, productivity, attendance, absenteeism, timeliness, or work performance.

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.



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, reproductive health decisions, family responsibilities, 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:

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

### **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.

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.
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.
- **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.

### **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;

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- 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.

### **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

[REDACTED]

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.

#### Employee Personnel File Inspection and Copying

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. Unless exempted under Section 10 of the Personnel Record Review Act, 820 ILCS 40/10, an employee may request to inspect, copy, and receive copies of the following: personnel documents which are, have been, or are intended to be used in determining that employee's qualifications for employment, promotion, transfer, ~~additional~~ compensation, ~~benefits,~~ discharge or other disciplinary action; any employment-related contracts or agreements that IPOPIF maintains are legally binding on the employee; any employee handbooks that IPOPIF made available to the employee or that the employee acknowledged receiving; and any written employer policies or procedures that IPOPIF contends the employee was subject to and that concern qualifications for employment, promotion, transfer, compensation, benefits, 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 must: should be in writing and addressed to the Executive Director, Chief Investment Officer, Chief Financial Officer, General Legal Counsel, or Human Resources; identify what personnel records the employee is requesting or if the employee is requesting all of the records allowed to be requested under the Personnel Record Review Act; specify if the employee is requesting to inspect, copy, or receive copies of the records; specify whether records be provided in hardcopy or in a reasonable and commercially available electronic format; specify whether inspection, copying, or receipt of copies will be performed by that employee's representative, including family members, lawyers, or translators; and if the records being requested include medical information and medical records, include a signed waiver to release medical information and medical records to that employee's specific representative. ~~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, copy, or receive copies of their Personnel File within 7 working days after the request has been ~~received-made~~, unless IPOPIF cannot meet the deadline, in which case IPOPIF will have an additional 7 calendar days to comply. ~~The inspection will take place at the IPOPIF 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 calendar 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.

In-Person Inspection of Personnel File

Upon receipt of an employee’s written request, any in-person inspection of records will take place at the IPOPIF 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 office if that time or place would be more convenient for the employee.

Copies of Employee Personnel File Copy of Records

Upon receipt of 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.

**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.

### **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.

### **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.

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.

### **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 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.

### **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.

#### 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.

#### **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.

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.

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.

## 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.

**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.



**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 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>
Years 1 through 4	20 Business Days
Years 5 and beyond	25 Business Days

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 days 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 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

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.

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.

### **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 service member 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.

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 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 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.
- 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 of 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.

**VESSA Bereavement**

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 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.



**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.



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 Bereavement Leave Act

Pursuant to the Illinois Family Bereavement Leave Act, employees may take up to 10 workdays of unpaid bereavement leave for any of the following reasons:

- Attend the funeral or alternative to a funeral of a covered family member;
- 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 biological, adopted, foster child, stepchild, legal ward, 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.

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 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.

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 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 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 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 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.



**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND  
EMPLOYEE HANDBOOK ACKNOWLEDGMENT AND RECEIPT**

**Revision Effective: ~~January 1, 2025~~ July 1, 2024**

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

RE: MANAGER OF EXTERNAL AFFAIRS AND COMMUNICATION – JOB DESCRIPTION

DATE: DECEMBER 13, 2024

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### RECOMMENDATION(S):

- Approve Job Description – Manager of External Affairs and Communication
- Approve Salary Compensation Range for Manager of External Affairs and Communication of \$85,000 - \$100,000 per year.
- Approve addition of Manager of External Affairs and Communication as full-time position and delete Communication Specialist position to Fiscal Year 2025 annual budget, for period of February 2025 through June 2025.

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### DISCUSSION:

The **Manager of External Affairs and Communication** position is a new position for the IPOPIF and is proposed to replace the current Communications Specialist position, for the following reasons:

1. This position would be responsible for more “client service” contacts with our stakeholders and increased external communications for the Fund which would include proactive outreach, communication, and contacts with the Article 3 police pension funds including regular meetings with the Board members at their individual meetings and at group events where these members attend to communicate about the fund, respond to questions, and generally build upon the trust and accountability between the IPOPIF and our stakeholders.
2. I believe that this responsibility is important as I believe that the goal of increasing the public image of the Fund through the Regional Stakeholder Meetings, for example, have not had the interest of the stakeholders that was anticipated and a change in the mode of contact with the stakeholders to a more localized, smaller group or individualized method



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

of communication with these stakeholders is warranted. This role would assume many of the commitments that the Executive Director, Chief Financial Officer, and Chief Investment Officer performed during the transition period which translates to a more efficient use of time and resources for the executive team. This approach is more proactive and cost efficient for the fund in continuing our marketing and communication effort.

3. The position would be responsible for communicating with municipalities and stakeholders, especially at meetings and events that are linked to our mission. This change also increases the availability of the Fund to these groups.
4. The position would be able to support the governmental liaison by spending time with legislators and other officials and to be a resource to the governmental liaison and legislative process for the fund, as needed, throughout the year.
5. I believe that adding these responsibilities by increasing the networking, specific client service communications, building and maintaining professional relationships with Article 3 fund trustees, active and retired members, municipalities, officials, stakeholders and the public would require the position to be out and about from the office for a significant portion of the workday requires a distinct full-time position that is able to function in this role.
6. Overall, this position will assume more responsibility for communication and public engagement, developing and maintaining relationships with the Article 3 funds, municipalities, public officials, and stakeholders, and collaboration with individuals or groups that are interested or impacted by the IPOPIF.

The proposed salary range for this position will be \$85,000 - \$100,000 which incorporates the increased level of responsibility for external communications and other responsibilities, which are described above, into the full-time position. (The Communication Specialist salary range is \$50,000 - \$65,000).

I propose adding the position to the fiscal year 2025 budget for FIVE months (February – June) which will not increase the budget because the Communications Specialist position is in the current budget and this allocation will cover the Manager of External Affairs and Communication position allocation for the remainder of this fiscal year.

Recruitment for the position will occur, at the earliest, in February.

In summary, the Manager of External Affairs and Communication position will replace the Communication Specialist position in the organizational chart and FY 2025 annual budget and without changing the budget or the approved full-time position allocation.

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**

**POLICY AND PROCEDURE**

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**POLICY NUMBER:** PP-2024-XX

**SUBJECT:** MANAGER OF EXTERNAL AFFAIRS AND  
COMMUNICATION- JOB DESCRIPTION

**EFFECTIVE DATE:** TBD

**AMENDED:**

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**INDEX:**

SECTION A: INTRODUCTION

SECTION B: RESPONSIBILITIES AND DUTIES

SECTION C: POLICY REVIEW

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**A. INTRODUCTION**

1. The Manager of External Affairs and Communication reports directly to the Executive Director.
2. Under the direction of the Executive Director, the Manager of External Affairs and Communication designs and carries out internal and external communication, education sessions, and outreach plans for communicating and providing client services to Article 3 participating police pension funds, municipalities, labor organizations, other stakeholders and the public, managing special projects, and other duties, as assigned.

Manager of External Affairs and Communication Job Description

3. The Manager of External Affairs and Communications helps to position the fund as a trusted provider of investment services, enhance the public image of the fund, and gain support of the fund's strategic mission, core values, and strategic goals and objective with the Article 3 police pension funds, municipalities and stakeholders.
4. The Manager of External Affairs and Communication will uphold the highest standards of ethics and professionalism and will act in a manner consistent with the Illinois Police Officers' Pension Investment Fund's mission, vision, and strategic plan.

## **B. RESPONSIBILITIES AND DUTIES**

### 1. General responsibilities:

- a. Provides responsive, high-quality service to Article 3 participating police pension funds, representatives of stakeholder groups, public officials, media and members of the public by providing accurate, complete, and up-to-date information in a courteous, efficient and timely manner.
- b. Develops, organizes, and coordinates a comprehensive public information program to provide awareness and understanding of the Illinois Police Officers' Pension Investment Fund.
- c. Plans, organizes, advertises, and coordinates special events for the Article 3 participating police pension funds, stakeholders and other interested parties including program content, guest speakers, enrollment, and location logistics.
- d. Composes a variety of general and special information pamphlets concerning various phases of IPOPIF operations for distribution to the public, Article 3 participating police pension funds and stakeholders.
- e. Special projects, as assigned.

### 2. Duties:

- a. Develop and implement effective communication programs and projects to effectively increase awareness and understanding of the IPOPIF, including but not limited to the investment program, administrative, financial and actuarial operations, Article 3 police pension fund responsibilities, legislative monitoring, fiduciary responsibilities, and other IPOPIF fund responsibilities.

- b. Responds to questions from the public, Article 3 participating police pension funds and stakeholders by telephone, in person and in writing.
  - c. Build and maintain relationships with the Article 3 police pension funds, municipalities and stakeholders.
  - d. Create and implement outreach campaigns in support of IPOPIF.
  - e. Contacts and works with representatives of other agencies, both public and private, in disseminating information concerning IPOPIF services.
  - f. Conduct analysis to identify trends and recommend solutions.
  - g. Facilitate member inquiries and service requests to ensure efficient client service.
3. Knowledge of:
- a. Methods, techniques and styles of business and article writing organization, spelling, grammar, editing, punctuation, and word usage.
  - b. Communication concepts, practices, principles, and strategies.
  - c. A variety of word processing and desktop publishing equipment and software programs.
  - d. Information dissemination techniques and methods.
  - e. Defined benefit retirement plans and other types of pension plans.
  - f. Institutional investments with emphasis on the IPOPIF investment program and Article 3 police pension fund consolidated trust funds.
4. Ability to:
- a. Establish and maintain professional relationships with members of the Board of Trustees, IPOPIF management and professional staff, consultants, Article 3 participating police pension fund members, municipal officials, stakeholders, and the public.
  - b. Communicate in English clearly, concisely, and effectively both orally and in writing. Work products must be complete, comprehensive, and accurate when submitted.
  - c. Maintain a professional demeanor in volatile situations which require a high degree of sensitivity, tact, and diplomacy.

- d. Exercise appropriate judgement in answering questions and releasing information.
- e. Coordinate multiple activities with conflicting deadlines.
- f. Communicate effectively both orally and in writing.
- g. Understand and effectively communicate the governing laws and provisions of the Illinois Pension Code and related laws.
- h. Make effective decisions.
- i. Perform job functions independently and in an ethical and objective manner.
- j. Operate in an environment that includes elected officials, non-elected officials, government agencies, community interest groups, labor unions and organizations, and the public in the development and coordination of IPOPIF affairs.
- k. Out-of-areas travel may be required to attend professional conferences and meetings.

5. Qualifications:

- a. A bachelor's degree in business administration, communications, English, or a related field of study preferred. Associate degree or relevant previous experience permitted.
- b. Two years of providing information and communications to groups, organizations, stakeholders and public.
- c. Four years of experience at a technical level in a public service, professional services or public pension investment industry preferred.
- d. Highly detail-oriented and self-motivated.
- e. Strong organizational skills and a minimum of two years supervising staff.
- f. Any combination of education, training and/or experience could provide the desired knowledge and abilities.

**C. 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 of Trustees on \_\_\_\_\_.

DRAFT

**Illinois Police Officers’ Pension Investment Fund (POPIF)  
New Role Compensation Analysis**



**Analysis Date:** 11/15/2024  
**Role:** Manager of External Affairs and Communication  
**Proposed Salary Range:** \$85,000- \$100,000

Internal Comparables	
N/A	

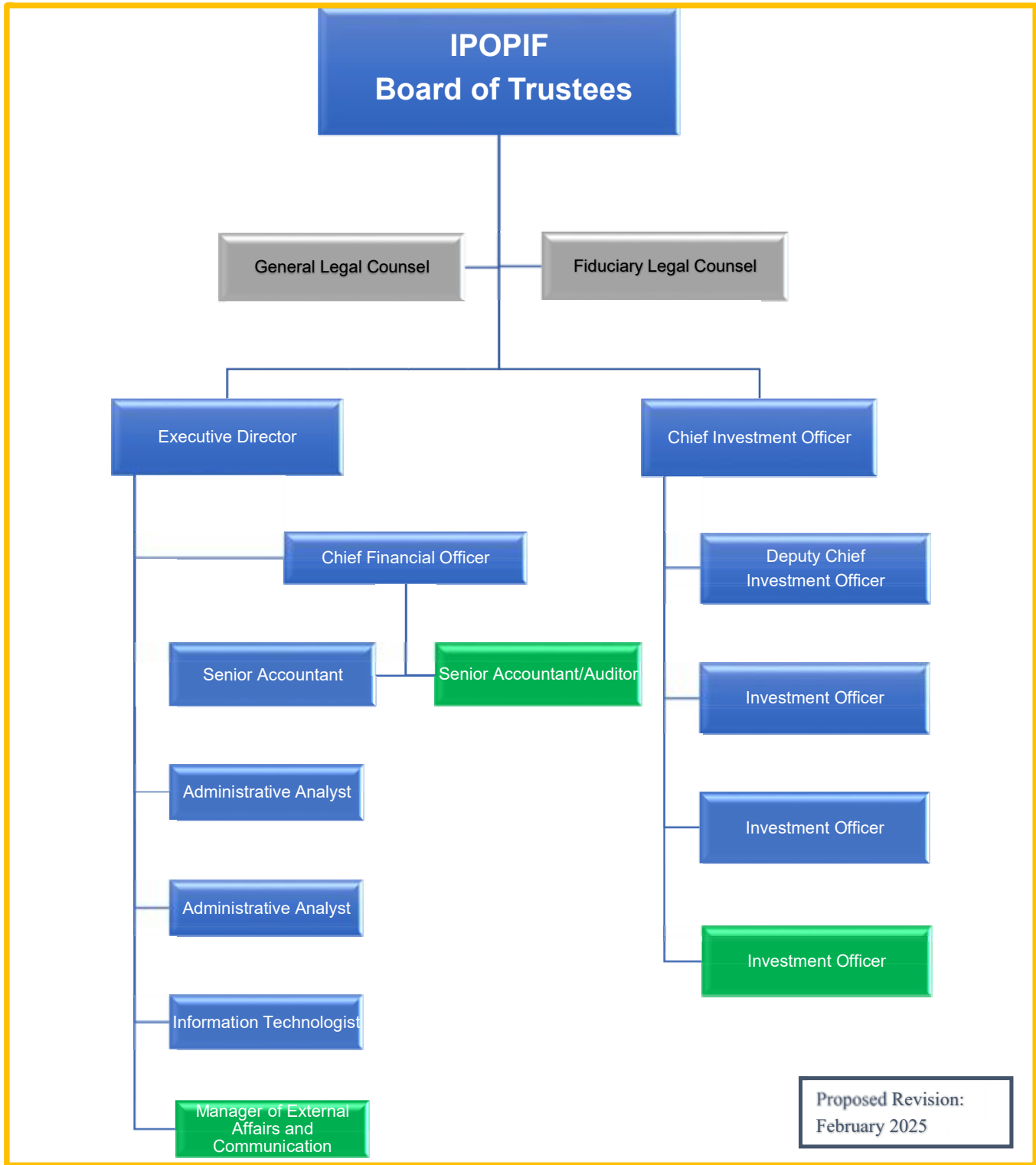
External Comparables					
Title	Yrs of Experience	Employer	Location	Year	Compensation
External Communications Specialist*	3+	Illinois Municipal Retirement Fund (IMRF)	Oak Brook, IL	2024	\$94,329
Fin. Reporting & Member Services Manager*	5+	Firefighters Pension Investment Fund (IFPIF)	Downers Grove, IL	2024	\$91,249
Employer Services Training and Outreach Manager	4+	Teachers' Retirement System of the State of Illinois (TRS)	Springfield, IL	2024	\$102,650
Communications Director	10+	UIUC - School of Labor & Employment Relations	Champaign, IL	2024	\$90,000
Manager of External Affairs and Engagement	5+	Insight Hospital and Medical Center	Chicago, IL	2024	\$80,000
<b>Average:</b>					<b>\$91,646</b>

\* Public compensation records for these roles include the cost of benefits. Assumed benefits cost of 10% for estimating annual salary.





# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



Proposed Revision:  
February 2025



**Illinois Police Officers'  
Pension Investment Fund**

# **Administration & Operations Update**

**Richard White,  
Executive Director**

**IPOPIF Board Meeting  
Friday, December 13, 2024**



# Illinois Police Officers' Pension Investment Fund

## Article 3 Police Pension Funds

**Monthly investment reports** through **SEPTEMBER 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.

**OCTOBER 2024** reports are delayed due to transition issues pending resolution.

## Newsletter

**Newsletters Published and Distributed:**

**OCTOBER/NOVEMBER** newsletter published and distributed.

## Public Meetings and Presentations

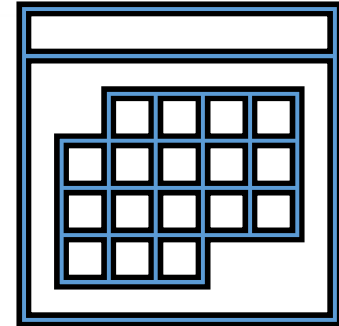
**WINFIELD Police Pension Fund** meeting scheduled for January 13, 2025.

**NAPO 2025 Pension Benefits Seminar.** February 2-4, 2025. Las Vegas, NV.



**Illinois Police Officers'  
Pension Investment Fund**

## **BOARD OF TRUSTEES UPCOMING MEETING DATES**



### **Board of Trustees:**

**Friday**

**January 24, 2025**

**9:00 AM**

**Pere Marquette Hotel**

### **Board of Trustees:**

**Friday**

**March 14, 2025**

**9:00 AM**

**Pere Marquette Hotel**

**COMMITTEE MEETINGS  
FRIDAY MARCH 14, 2025  
AFTER BOARD OF TRUSTEES  
MEETING**



**Illinois Police Officers'  
Pension Investment Fund**

## UPCOMING AGENDA ITEMS

### JANUARY

- Seating of the Board of Trustees
- Election of Board Officers
- Committee Assignments

### MARCH

- Fiscal Year 2025 – Mid-year Budget Review
- Strategic Plan Review



**Illinois Police Officers'  
Pension Investment Fund**

## STRATEGIC PLAN OBJECTIVES



Development of new policies.

Objective: Development of Actuarial Valuation Policy

Objective: Development of Compensation Policy



Review Fund office location and amenities with current and future operations in mind, team recruitment and retention issues, safety and security matters, and efficient use of Fund resources through leasing of ownership of building.

Objective: Development of review process



Develop and enhance communication components.

Objective: Development of webinar presentation(s) to provide timely information to stakeholders.

Objective: Development of an 'annual meeting'.



**PRE-APPROVED  
CONFERENCE LIST  
2025**

Date Start	Date Ends	Conference Name	Conference Org	Location	Notes
2/2/2025	2/4/2025	Annual Pension and Benefits Seminar	NAPO	Las Vegas, NV	<a href="http://www.napo.org">www.napo.org</a>
4/30/2025	5/1/2025	Investments Institute	IFEBP	Fort Myers, FL	<a href="http://www.ifebp.org">www.ifebp.org</a>
5/2/2025	5/2/2025	Pension Seminar	IPFA	Addison, IL	<a href="http://www.ipfaonline.org">www.ipfaonline.org</a>
5/7/2025	5/9/2025	Pension Conference	IPPFA	Galena, IL	<a href="http://www.ippfa.org">www.ippfa.org</a>
5/18/2025	5/21/2025	Annual Conference & exhibit	NCPERS	Denver, CO	<a href="http://www.ncpers.org">www.ncpers.org</a>
8/17/2025	8/19/2025	Public Pension Funding Forum	NCPERS	Chicago, IL	
10/1/2025	10/2/2025	Pension Conference	IPPFA	Oak Brook, IL	
11/7/2025	11/7/2025	Pension Seminar	IPFA	Addison, IL	
11/9/2025	11/12/2025	Annual Employee Benefit Conference	IFEBP	Honolulu, HI	

Not a complete list of training opportunities presented by these organizations.

NCPERS AND IFEBP present numerous relevant training courses and certificate programs for public sector trustees and staff that cover a multitude of topics including fiduciary responsibility, institutional investment topics, governance, actuarial principles, and more.



**Illinois Police Officers'  
Pension Investment Fund**

# **Administration & Operations Update**

**Richard White,  
Executive Director**

**IPOPIF Board Meeting  
Friday, December 13, 2024**





# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOPIF BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: AGENDA ITEM 5.1 – FINANCIAL STATEMENTS**  
**DATE: DECEMBER 13, 2024**

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The October 2024 Financial Statements are not included in the agenda packet and will be provided, if available, in advance of the Board of Trustees meeting.

## Warrant #25-05 Paid 11-1-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### BOARD OF TRUSTEES and MEETINGS

#### Education and Training

	Lee Catavu	
10/23/2024	Out of pocket reimbursement for the International Foundation of Employee Benefit Plans Conference Air Travel on November 9-14, 2024	\$490.96
	Daniel Hopkins	
10/18/2024	Out of pocket reimbursement for the International Foundation of Employee Benefit Plans Conference Fee and Air Travel, November 9-14, 2024	\$2,837.95
	<b>Total Board of Trustees and Meetings Education and Training Expense</b>	<b>\$3,328.91</b>

#### Meeting Expenses

	Sound & Light Creations by Scott Fort	
10/28/2024	Sound system with table top microphones, video screen, and projector for Board Meeting, October 18, 2024, Invoice #10182405	\$1,413.00

#### Board Member Reimbursements

	Lee Catavu	
9/13/2024	Out of pocket reimbursement for travel for September 13, 2024, Board Meeting	\$158.12
10/23/2024	Out of pocket reimbursement for travel for October 13, 2024, Board and Committee Meetings	\$158.12
	Daniel Hopkins	
10/18/2024	Out of pocket reimbursement for hotel, travel and meals for October 18, 2024, Board and Committee Meetings	\$358.28
	Philip Suess	
10/25/2024	Out of pocket reimbursement for hotel and travel for October 18, 2024, Board and Committee Meetings	\$409.28
	<b>Total Board of Trustees and Meetings Board Member Reimbursements</b>	<b>\$1,083.80</b>

### TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES

**\$5,825.71**

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### Audit - Financial

	Sikich CPA LLC	
10/28/2024	Professional services rendered in connection with year end 2024 audit through October 31, 2024, Invoice #72946	\$36,300.00

##### Audit - Certified Asset List

	Lauterbach & Amen, LLP	
10/18/2024	Professional services rendered in connection with CIAL reports for Tranche 14 member funds, Invoice #96591	\$5,661.25

## Warrant #25-05 Paid 11-1-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Professional Services - Government Liaison

	Vision M.A.I. Consulting	
11/1/2024	Professional services rendered for November 2024, Invoice #10	\$5,700.00

#### Professional Services - Actuarial Services

	Foster & Foster, Inc.	
10/31/2024	Preparation of Fiscal Year 2023 Actuarial Valuation Reports for 3 participating pension funds and Fiscal Year 2024 Actuarial Valuation Reports for 43 participating pension funds and data work, Invoice 33556	\$26,010.00

#### Professional Services - Human Resources

	Lauterbach & Amen, LLP	
8/16/2024	Professional services rendered for July 2024, Invoice #94448	\$950.00
10/4/2024	Professional services rendered for September 2024, Invoice #96465	\$1,262.50
	<b>Total Human Resources Professional Services Expenses</b>	<b>\$2,212.50</b>

#### Professional Services - Legal

##### **General**

	Reimer Dobrovoly & Labardi PC	
10/28/2024	Legal services rendered and disbursements for the period of September 2024, Invoice #31161	\$2,581.65

##### **Fiduciary & Litigation**

	Jacobs Burns Orlove & Hernandez LLP	
10/10/2024	Legal services rendered in September 2024 regarding general and investment matters, Invoice #803	\$6,527.00

#### Professional Services - Communication

	Shepherd Communications	
10/29/2024	Professional Service Fee for November 2024	\$1,500.00
	<b>Total Administrative Operations Professional Services Expenses</b>	<b>\$86,492.40</b>

#### Services and Supplies

##### **Office Lease**

	City of Peoria	
11/1/2024	Rent for November 2024, Invoice #56358	\$5,375.00

##### **Printing & Postage**

	Chris McGuire Photography, LLC	
10/2/2024	Event photography services half day rate for Board of Trustees and staff photos for the fiscal year 2024 ACFR and other publications	\$1,500.00
	ODP Business Solutions, LLC	
10/1/2024	Postage Stamps, 100 roll, and stamp fee, qty 4; Invoice #389637200001	\$312.00
	<b>Total Services and Supplies, Printing &amp; Postage</b>	<b>\$1,812.00</b>

## Warrant #25-05 Paid 11-1-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Supplies & Maintenance

	AAA Certified Confidential Security Corp	
9/30/2024	On-site confidential records destruction services from August to September 2024, Invoice #110224	\$42.40
10/31/2024	On-site confidential records destruction services for October 2024, Invoice #110619	\$44.40
	The Cleaning Source	
10/29/2024	Weekly cleaning service for October 2024, Invoice #IP1024	\$193.00
	ODP Business Solutions, LLC	
10/1/2024	Office supplies, Duck Tape, 3 pack; Invoice #389637200001	\$23.29
10/2/2024	Office supplies, Address Label Roll, 250 count, qty 4; Invoice #389638034001	\$55.08
10/15/2024	Office supplies, Binding Clear Cover, 100 pack, qty 3; Binding Cover, Black, 25 pack, qty 6; HP Ink, 4 pack; Invoice #390416022001	\$379.25
	<b>Total Services and Supplies, Supplies &amp; Maintenance</b>	<b>\$737.42</b>

##### Telecommunications

	AmeriCALL	
10/4/2024	Monthly telephone charges, 10/4/24 - 11/3/24, Invoice #3467065	\$313.85
	AT&T Mobility	
10/1/2024	Monthly wireless cell phone service, 10/2/24 - 11/1/24, Invoice #287302376880X10092024	\$738.89
	Comcast	
10/12/2024	Monthly data, voice secure packaged services, 10/16/24 - 11/15/24	\$334.26
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$1,387.00</b>

##### Dues & Licenses

	ADP, Inc.	
9/20/2024	Processing charges for CA state fee for period ending August 31, 2024, Debit #670926516	\$8.95
9/27/2024	Processing charges for period ending September 15, 2024, Debit #671814134	\$102.43
10/11/2024	Processing charges for period ending September 30, 2024, Debit #672795197	\$102.43
10/18/2024	Processing charges for CA state fee for period ending September 30, 2024, Debit #673122925	\$8.95

## Warrant #25-05 Paid 11-1-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Dues & Licenses (continued)

	Thomson Reuters	
10/16/2024	NetStaff CS Web Services fees and Manual processing, September 2024, Invoice #WS11504071	\$484.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$706.76</b>

##### Travel & Transportation

	Katherine Cobb	
10/21/2024	Out of pocket reimbursement for parking fees, October 2024	\$81.00
	Kent Custer	
10/24/2024	Out of pocket reimbursement for travel to the Regional Stakeholder Meeting in Rockford, October 23, 2024	\$179.56
	Samantha Lambert	
10/21/2024	Out of pocket reimbursement for parking fees, October 2024	\$81.00
	Amy Zick	
10/17/2024	Out of pocket reimbursement for parking pass 20-pack	\$85.00
	<b>Total Services and Supplies, Travel &amp; Transportation</b>	<b>\$426.56</b>

##### Website

	Levi, Ray & Shoup, Inc.	
10/8/2024	Website hosting and related support, September 2024, Invoice #328840	\$200.00
	<b>Total Administrative Operations Services and Supplies Expenses</b>	<b>\$10,644.74</b>

**TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$97,137.14**

### INVESTMENT OPERATIONS

#### Investment & Banking

##### Database Subscriptions

	Steve Yoon	
10/30/2024	Out of pocket reimbursement for Bloomberg LEI renewal subscription for the period ending November 29, 2025	\$40.00

##### General Investment Consultant

	Verus Advisory, Inc.	
9/30/2024	Services for the quarter ending September 30, 2024, Invoice #INV037378	\$106,875.00

##### Investment Management

	Acadian	
10/28/2024	Investment Management Services for the quarter ending September 30, 2024, \$274,898,126 AUM, 60.77 bps, Invoice #I163121	\$417,669.00
	LSV Asset Management	
10/10/2024	Investment Management Services for the quarter ending September 30, 2024, \$134,698,615 AUM, 85.57 bps, Invoice #SIPOPF20240930	\$288,147.00

## Warrant #25-05 Paid 11-1-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### INVESTMENT OPERATIONS (continued)

#### Investment & Banking (continued)

#### Investment Management (continued)

	RhumbLine Advisors	
10/9/2024	Investment Management Services for the quarter ending September 30, 2024, \$3,085,628,165 AUM, .5bps, Invoice #gipop12024Q3	\$38,570.00
	State Street Global Advisors	
8/28/2024	Investment Management services for April, May and June 2024, Emerging Markets Equity Index Fund \$454,190,329 AUM, .89 bps, Invoice SSGABA4048201	\$10,126.20
8/28/2024	Investment Management services Additional Fees for April, May and June 2024, Emerging Markets Equity Index Fund \$454,190,329 AUM, 2.44 bps, Invoice SSGABA4048202	\$27,750.82
8/28/2024	Investment Management services for April, May and June 2024, Non-US Small Cap Index Fund \$69,097,254, Full Redemption Invoice SSGABA4048203	\$18.65
8/28/2024	Investment Management services for April, May and June 2024, Non-US Developed Index Fund \$1,968,041,490, .89 bps, Invoice SSGABA4048209	\$43,877.61
8/28/2024	Investment Management services for April, May and June 2024, US Agg Bond Index Fund \$336,486,992, .89 bps, Invoice SSGABA4048205	\$7,502.00
8/28/2024	Investment Management services for April, May and June 2024, US REIT Index Fund \$411,508,158, .89 bps, Invoice SSGABA4048204	\$9,174.60
8/28/2024	Investment Management services for April, May and June 2024, US ST Gov/Credit Bond Fund \$1,169,300,879 AUM, .89 bps, Invoice SSGABA4048206	\$26,069.64
8/28/2024	Investment Management services for January, February, March 2024, US High Yield Bond Index Fund \$714,290,027 AUM, .89 bps, Invoice SSGABA4048207	\$15,925.14
8/28/2024	Investment Management services Additional Fees for April, May and June 2024, US High Yield Bond Index Fund \$714,290,027 AUM, 2.44 bps, Invoice SSGABA4048208	\$43,642.79
8/28/2024	Investment Management services for April, May and June 2024, US TIPS 0-5 Yrs Fund \$293,233,794 AUM, .89 bps, Invoice SSGABA4048210	\$6,537.67
8/28/2024	Investment Management services for April, May and June 2024, Emerging Market Bond Index Fund \$618,533,879 AUM, .89 bps, Invoice SSGABA4048211	\$13,790.25

## Warrant #25-05 Paid 11-1-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### INVESTMENT OPERATIONS (continued)

#### Investment & Banking (continued)

#### Investment Management (continued)

	State Street Global Advisors (continued)	
8/28/2024	Investment Management services Additional Fees for April, May and June, 2024 - Emerging Markets Bond Index Fund \$618,533,879 AUM, 2.44 bps, Invoice SSGABA4048212	\$37,792.13
8/28/2024	Investment Management services for April, May and June 2024, Emerging Markets ex China Equity Index Fund \$169,153,165 AUM, Initial Funding, Invoice SSGABA4048214	\$2,555.40
8/28/2024	Investment Management services Additional Fees for April, May and June 2024, Emerging Markets ex China Equity Index Fund \$169,153,165 AUM, Initial Funding, Invoice SSGABA4048215	\$7,003.07
8/28/2024	Investment Management services for April, May and June 2024, US Treasury Index Fund \$169,491,316 AUM, Initial Funding, Invoice SSGABA4048213	\$2,560.51
	<b>Total Investment Management Services Expenses</b>	<b>\$998,712.48</b>
	<b>TOTAL INVESTMENT OPERATIONS EXPENSES</b>	<b>\$1,105,627.48</b>
	<b>TOTAL EXPENSES FOR RATIFICATION</b>	<b>\$1,208,590.33</b>

## Warrant #25-06 Paid 12-2-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### BOARD OF TRUSTEES and MEETINGS

#### Education and Training

	Scott Bowers	
11/25/2024	Out of pocket reimbursement for the International Foundation of Employee Benefit Plans Conference Hotel, Air and Ground Travel, Meals, and Incidental Expenses on November 9-14, 2024	\$1,572.81
	Lee Catavu	
10/23/2024	Out of pocket reimbursement for the International Foundation of Employee Benefit Plans Conference Hotel, Ground Travel and Incidental Expenses on November 9-14, 2024	\$1,117.93
	<b>Total Board of Trustees and Meetings Education and Training Expense</b>	<b>\$2,690.74</b>

#### Meeting Expenses

	Richard White	
11/13/2024	Out of pocket reimbursement for meeting space at Pere Marquette for meeting room for Board and Committee Meetings, October 18, 2024	\$2,183.25
11/13/2024	Out of pocket reimbursement for meeting space at Hilton Garden Inn for meeting room at Regional Stakeholder Meeting, October 23, 2024	\$797.97
	<b>Total Board of Trustees and Meetings Meeting Expense</b>	<b>\$2,981.22</b>

#### Board Member Reimbursements

	Michael Inman	
10/18/2024	Out of pocket reimbursement for travel for October 18, 2024, Board and Committee Meetings	\$109.15
	<b>TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES</b>	<b>\$5,781.11</b>

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### Audit - Certified Asset List

	Lauterbach & Amen, LLP	
11/8/2024	Professional services rendered in connection with CIAL reports for Tranche 14 member funds, Invoice #97996	\$8,916.25

#### Professional Services - Government Liaison

	Vision M.A.I. Consulting	
12/1/2024	Professional services rendered for December 2024, Invoice #12	\$5,700.00

#### Professional Services - Human Resources

	Lauterbach & Amen, LLP	
11/8/2024	Professional services rendered for October 2024, Invoice #97866	\$843.75



## Warrant #25-06 Paid 12-2-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Professional Services - Legal

##### Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
11/13/2024	Legal services rendered in October 2024 regarding general and investment matters, Invoice #862	\$7,930.00

#### Professional Services - Communication

	Shepherd Communications	
11/25/2024	Professional Service Fee for December 2024	\$1,500.00
<b>Total Administrative Operations Professional Services Expenses</b>		<b>\$24,890.00</b>

#### Services and Supplies

##### Office Lease

	City of Peoria	
12/1/2024	Rent for December 2024	\$5,375.00

##### Printing & Postage

	Forest Printing Company	
10/30/2024	Printing of 56 Page Transition Report color booklet, quantity 100, Invoice #123661	\$1,114.00

##### Supplies & Maintenance

	The Cleaning Source	
11/22/2024	Weekly cleaning service for November 2024, Invoice #IP1124	\$193.00
	Katherine Cobb	
11/4/2024	Out of pocket reimbursement for engraved metal plaque	\$110.35
	Richard White	
11/13/2024	Out of pocket reimbursement for removal of old logo and installation of new logo on 3 doors and wall at Peoria office, Invoice #111224	\$570.00
<b>Total Services and Supplies, Supplies &amp; Maintenance</b>		<b>\$873.35</b>

##### Telecommunications

	AmeriCALL	
11/4/2024	Monthly telephone charges, 11/4/24 - 12/3/24, Invoice #3502214	\$313.85
	AT&T Mobility	
11/1/2024	Monthly wireless cell phone service, 11/2/24 - 12/1/24 Invoice #287302376880X11092024	\$738.60
	Comcast	
11/12/2024	Monthly data, voice secure packaged services, 11/16/24 - 12/15/24	\$334.26
<b>Total Services and Supplies, Telecommunications</b>		<b>\$1,386.71</b>

## Warrant #25-06 Paid 12-2-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Dues & Licenses

	ADP, Inc.	
11/1/2024	Processing charges for period ending October 15, 2024, Debit #674278117	\$102.43
11/15/2024	Processing charges and state fee for period ending October 31, 2024, Debit #675296645	\$111.38
11/29/2024	Processing charges for period ending November 15, 2024, Debit #676349059	\$102.43
	Levi, Ray & Shoup, Inc.	
11/6/2024	LRS Axcient CloudFinder for Office 365 backup, 25 licenses, October 2024, Invoice #330692	\$125.00
	Thomson Reuters	
11/18/2024	NetStaff CS Web Services fees and Manual processing, October 2024, Invoice #WS11534726	\$484.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$925.24</b>

##### Training & Education

	Government Finance Officers Association (GFOA)	
11/12/2024	Professional development webinar, GFOA Annual Government GAAP Update, November 14, 2024, R Tuczak	\$180.00
	Richard White	
11/13/2024	Out of pocket reimbursement for conference registration for the NCPERS Public Safety Conference in Indian Wells, California, October 27-30, 2024	\$775.00
	<b>Total Services and Supplies, Training &amp; Education</b>	<b>\$955.00</b>

##### Travel & Transportation

	Katherine Cobb	
11/12/2024	Out of pocket reimbursement for parking fees, November 2024	\$81.00
	Samantha Lambert	
11/12/2024	Out of pocket reimbursement for parking fees, November 2024	\$81.00
	Richard White	
11/13/2024	Out of pocket reimbursement for travel to the Regional Stakeholder Meeting in Rockford, October 23, 2024	\$89.11
11/13/2024	Out of pocket reimbursement for hotel for the NCPERS Public Safety Conference in Indian Wells, California, October 27-30, 2024	\$1,073.22
	<b>Total Services and Supplies, Travel &amp; Transportation</b>	<b>\$1,324.33</b>

## Warrant #25-06 Paid 12-2-2024



## Expenses for Ratification - December 13, 2024 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Website

	Levi, Ray & Shoup, Inc.	
11/6/2024	Website hosting and related support, October 2024, Invoice #330691	\$200.00
	<b>Total Administrative Operations Services and Supplies Expenses</b>	<b>\$12,153.63</b>
	<b>TOTAL ADMINISTRATIVE OPERATIONS EXPENSES</b>	<b>\$37,043.63</b>

### INVESTMENT OPERATIONS

#### Investment & Banking

##### Custodial Services

	State Street Bank & Trust Company	
11/11/2024	Custody Fees, Charges and Expenses for June 2024, Invoice #2406149465-6011	\$36,965.22
11/11/2024	Custody Fees, Charges and Expenses for July 2024, Invoice #2407149465-6011	\$47,373.64
	<b>Total Investment &amp; Banking Custodial Services</b>	<b>\$84,338.86</b>
	<b>TOTAL INVESTMENT OPERATIONS EXPENSES</b>	<b>\$84,338.86</b>

<b>TOTAL EXPENSES FOR RATIFICATION</b>	<b>\$127,163.60</b>
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# Finance and Accounting Update

As of December 5, 2024



# Current Initiatives

## Agreed Upon Procedures of Article 3 Police Pension Funds

- Bi-weekly status calls with CPA firms and IL Dept of Insurance continue
- Tranche 1 Status**
- 30 Participant Pension Funds selected
  - Procedures began on October 1; concluded November 30
  - Draft reports issued weeks of December 2<sup>nd</sup> and 9<sup>th</sup> (20 received to date)
  - 28 Participant Pension Funds were responsive and submitted requested materials
  - Participant Pension Funds have 30 days to provide additional materials to the CPA firms and until January 31 to submit a written response
- Tranche 2 Status**
- Approximately 60 Participant Pension Funds to be selected; communication to occur on or about January 15, 2025

# Current Initiatives (continued)

<p><b>Fiscal Year 2024</b></p>	<ul style="list-style-type: none"> <li>• <b>Final close of audit</b></li> <li>• <b>Distribution of Annual Comprehensive Financial Report to Illinois Department of Insurance</b></li> <li>• <b>Submission of investment information (purchases, sales, investment income, etc.) to Illinois Department of Insurance</b></li> <li>• <b>Application to Government Finance Officers Association for Certificate of Achievement for Excellence in Financial Reporting</b></li> </ul>
<p><b>Cash Management</b></p>	<ul style="list-style-type: none"> <li>• <b>Review, verification and onboarding of Tranche 14 cash system users continues</b></li> <li>• <b>Customer service from Finance/Accounting prioritized to assist with increased inquiries and requests from participant funds as 2025 withdrawals input into the cash management system at State Street</b></li> </ul>
<p><b>Valuation and Cost Rule</b></p>	<p><b>Calculation set-up to commence</b></p>
<p><b>Recruitment of Senior Accountant/Auditor</b></p>	<p><b>Position open – recruitment continues</b></p>



## MEMORANDUM

DATE: December 5, 2024  
 TO: IPOPIF Board of Trustees  
 FROM: Kent Custer, Chief Investment Officer  
 SUBJECT: Investment Custodian Review – State Street Bank and Trust

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### **Purpose**

Reviews of all investment service providers are presented to the Board on a periodic basis. Investment Custodian, State Street Bank and Trust (SSBT) was last reviewed at the 12/15/23 Board meeting. Bill Collins, SSBT VP and Relationship Manager, will attend the 12/13/24 IPOPIF Board meeting to make a brief presentation and answer questions.

### **Background**

- IPOPIF conducted a Request for Proposal based formal search for an investment custodian during May/June 2021 and the Board selected State Street Bank and Trust (SSBT) on July 9, 2021, subject to contract negotiations. The final contract was executed on Nov. 10, 2021.
- SSBT played an integral role in the transfer and transition of investment assets from 333 Article 3 participating police pension funds during 2022, extending into 2023.
- 2023 focused on finishing the transfer of outstanding assets and providing information necessary for the preparation and audit of the annual financial statements, reporting for the Department of Insurance, cash management relating to participant funds, vendor set-up for disbursements, and SSBT invoice validation.
- 2024 activity has been dominated by the October transition. Additional areas of focus include onboarding new active manager accounts, cash management volume increases, cash user maintenance, and audit support.

### **Fees**

IPOPIF custody fees are driven by a fee schedule based on multiple elements such as total assets, number of accounts, and number of transactions. Custody fees totaled \$423K in FY24. The FY25 custody budget is \$522K, reflecting higher total assets, increased accounts, and more transactions.

### **Service Deterioration**

While recognizing the multitude of tasks conducted by the custodian and contributions from the client servicing team, staff has grown increasingly frustrated by errors, delays, and communication that degrade confidence and detract resources. Key concerns include:

- Cash transaction errors
  - The Board was informed in September of a limited number of prior cash processing errors. While all errors were rectified, the errors diverted resources and reduced confidence.

- Cash user setup and change errors, delays, and inconsistencies
- Valuation errors
  - Staff has noted that account valuation is not always correct following transactions.
  - All issues are rectified to ensure accurate reporting and equitable treatment.
- Reporting shortfalls
  - Internal reporting (audit support, etc.) does not always meet expectations with respect to timeliness or required content.
- T14 (October transition) processing and reporting delays. These issues do not impact valuation or equitable treatment of participants, but October participant reporting is still in flux as of 12/4/24.

### **Contributing Factors**

- IPOPIF is likely a challenging client with more users, user turnover, and new account activity than typical.
- Personnel turnover in client service and back-office functions led to a loss of institutional knowledge and inconsistent processes.
- Cash processing systems are not optimized for the uniquely large scale of IPOPIF users with large proportion of ACH processing.
- Monthly reporting investment funds created challenges with more manual interventions to maintain daily valuation using best available information.
- T14 was supported by existing SSBT service and support staff, rather than a separate conversion team as was used in 2022.

### **Improvement Initiatives**

- SSBT is consolidating and upgrading multiple cash platforms into a single platform.
  - eCFM upgrade delayed until 2025
  - Straight Through Processing (STP) expected to reduce errors due to manual processing.
  - ACH (Automated Clearing House) check processing will become more automated
  - New scheduling option to allow recurring payments is expected.
- IPOPIF staff and Senior management at SSBT will begin developing service level agreements to more clearly establish and monitor expectations.





# Illinois Police Officers Pension Investment Fund Trustee Meeting



December 13, 2024

# Agenda

State Street General Overview  
Core Custody Services  
Consolidation/Conversion

## Our Business



### Investment Services

Improving operational excellence and achieving growth with a complete front-to-back perspective through State Street Alpha®, delivering best-in-class operations outsourcing, technology and data platforms across traditional and alternative assets.

**Capabilities:**

- Comprehensive view of the investment lifecycle from front to back office
- Commercial software and data platforms
- Alternatives

### Investment Management

Helping the world's investors achieve their financial goals with a universe of index and active strategies as the 4<sup>th</sup> largest asset manager in the world.

**Capabilities:**

- Institutional investing
- ETFs
- Cash management

## State Street at a Glance

**\$46.8T**

in assets under custody and /or administration<sup>1</sup>

**\$4.7T**

in assets under management<sup>1</sup>

**100+**

geographic markets<sup>2</sup>

**~53,000**

employees worldwide<sup>2</sup>

Responsible for **11.5%** of the world's assets<sup>3</sup>

# More than 230 years of experience

**#1**

in ETF servicing<sup>4</sup>

**#1**

Manager of passive global equity<sup>5</sup>

**2nd**

largest US Defined Benefit manager<sup>5</sup>

**3rd**

largest global ETF provider<sup>5</sup>

**4th**

largest asset manager globally<sup>5</sup>

Servicing **37%** of all US mutual funds<sup>6</sup>

1. AUCA and assets under management as of September 30, 2024. AUM includes approximately \$93 billion of assets with respect to SPDR® products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

2. As of September 30, 2024

3. Represents State Street AUC/A divided by Global Financial Assets,

including Global Equity, Global Debt Securities and Global Broad Money (M3), as of December 31, 2023. Sources: SIFMA Markets Factbook, 2024; Organisation for Economic Co-Operation (OECD), World Bank. This represents State Street's assets under custody and administration AUCA (USD\$46.8T) as of September 30, 2024.

4. State Street analysis of ETFGI Global Insights Report September 30, 2024

5. Pensions & Investments Research Center, as of December 31, 2023

6. Based on State Street mutual fund assets as of June 30, 2024, as compared to total mutual fund assets as reported by the ICI Monthly Trends Report for June 30, 2024.

# Our Clients

Providing integrated, custom-tailored solutions



## Asset Managers

Help achieve better outcomes and drive operational transformation through improved agility, data accuracy, diverse liquidity and unique asset intelligence. All delivered on a global, fully open, end-to-end investment servicing platform.



## Asset Owners

Assist with harmonizing and capitalizing on data to help achieve better outcomes from investment portfolios, create an efficient operating model and build fit-for-purpose governance.



## Insurance Providers

Provide harmonized solutions to help aggregate data, integrate workflows and strip out redundant costs.



## Alternatives Providers

Offer deep alternative servicing expertise and our multi-class digital platform to provide centralized execution and control needed to make faster decisions and improve funds performance.



## Official Institutions

As a G-SIFI and one of the world's largest custodians and asset managers, we draw on our expertise, size and global reach to address complex challenges by providing analytical support to manage risks, no matter how complex the holdings, and help find better returns, even in challenging markets.

# Product Investments Areas of Focus

Focused investments reflect our strategic objectives to be the best partner and operator to our clients through our scalable platform, innovative offerings, and thought leadership

## Strategic Product Goals



### Investing in our Core

**Improving client experience through automation and consistent global service**

- Digitalization of legacy technology platforms to improve interoperability and enhance our global service platform
- Integrated technology platforms to maximize resiliency and manage risk at scale
- Simplification of Operating models



### Accelerating Market Access

**Helping clients navigate evolving regulatory and market landscape**

- Support for new fund launches, access to new markets, and asset classes by navigating through jurisdictional complexities
- Enable client compliance with global regulatory mandates and market changes



### Developing Innovative Solutions

**Implementing new capabilities to address market trends and an innovation agenda aligned to client needs**

- Real time insights through enhanced and interconnected data access across investment lifecycle
- Capabilities for digital asset investments leveraging distributed ledger technology

**Underpinned by cloud-native data solution providing real time insights across the value chain for Public and Private Markets**



Digitalization



Automation



Innovation



Regulatory Compliance

**Underlying Core Pillars of our Investments**

# Product Office – Strategic Priorities and Key Product Development Areas

## Strategic Priorities

### Strengthen core back-office capabilities

- 1 Investing in core custody, accounting, and administration capabilities by leveraging technology to create scalable and interoperable models.
- 2 Delivering best-in-class solutions utilizing Product Management and Program Delivery domain expertise.



### Integrate traditional asset servicing and digital finance

- 3 Embedding digital objectives and development in product development roadmaps across all core product areas.
- 4 Adopting innovative and transformative digitalized capabilities across the value chain, to provide a seamless client experience.

## Key Product Development Areas

### Custody and Cash

- Modernize payment, cash, banking and liquidity services
- Integrated, data-centric platform, inter-connected to the custody ecosystem
- Digitized account opening and onboarding processes
- Accelerated settlements: T+1, SWIFT, and Data messaging improvements
- Real-time and fully transparent electronic proxy voting
- Tokenization as a service for both assets and fund structures

### Accounting

- Delivery transformation: platform simplification, optimized workflows, advancing alert-based exception management framework
- Consistent asset coverage across segments – consolidated bank loan platform (LoanHQ), Derivatives Hub ledger post rollout, digital assets, private assets
- Establishing common data store, harmonizing Accounting data across a multi-application platform
- Migration to Advent Geneva for Hedge Fund Accounting

### Fund Administration

- Platform consolidation: global regulatory reporting solution, data preprocessing
- Implement mandatory changes required to meet industry and market requirements, such as Tailored Shareholder Reporting

### Sustainability Solutions

- Multi-sourced sustainability data, driving risk and analytics reporting, compliance/ exposure monitoring, SFDR/TCFD reporting

### Investor Services

- Global Service Portal development and roll out, enhanced distribution support
- Creation of a single, optimized service offering
- Expansion into the UK market for transfer agency services
- Front-to-back infrastructure supporting fund order services

### Total ETF

- Global platform enhancements: Basket servicing, Corporate actions, Digital assets servicing including crypto ETFs, Settlements
- Front to back integration on Alpha, API messaging

### Private Markets

- Digitize manual touchpoints in processing cycle and improve servicing and delivery times
- Connect the Private Markets ecosystem with improved data transparency and enhanced scale of global operating model
- Expanded distribution of Registered Transfer Agent capabilities

### User Experience

- MyStateStreet homepage improvements and dashboards tailored for user personas and product areas

\*The development, release, and timing of any product, features, or functionality described remain at the sole discretion of State Street and are subject to the firm's internal governance and due diligence approval process.

## Partial List of Service Offerings

### SERVICES CURRENTLY BEING UTILIZED BY IPOPIF

Domestic Custody	Global Custody	Portfolio/Fund Accounting	Cash Flow Management (eCFM)	Plan Accounting (NRS)
Transition Management (SSGM)	Performance & Analytics	Investment Management (SSgA)	Foreign Exchange Services/ Global Treasury	Daily Valuation

### OTHER SERVICES OFFERED

Commission Recapture	Trade Execution Monitoring	Brokerage Services	Benefit Payment Services	Investment Risk Services
Company Stock Management	Charitable Asset Management	Unitized Accounting	Insurance Services	Investment Banking Services
Corporate Trust Services	Transfer Agency Services	Shareholder Services	Securities Lending	Private Market Services



## Core Services – Illinois Police Officers Pension Investment Fund



### Master Custodian

- Hold assets of the Fund in Safekeeping
- Settle trades directed by the investment managers
- Collect dividends and interest paid on securities
- Provide proxy servicing for the equities
- Corporate action processing
- Detailed accounting of all transactions, daily, monthly and annually (book of record)
- Provide daily pricing/NAV
- Tax reclaim services
- Class Action Filing
- Foreign Exchange
- Performance Calculations and Reporting
- Cash Management




### Reporting

- Track assets by manager and provide consolidated reporting
- Provide consistent methodology in hard-copy or online
- Provide daily, month-end, annual, and regulatory reporting
- Help auditors prepare year-end reports
- Facilitate customized reporting and other unique requirements
- Audited information available online daily

# State Street End-To-End Client Engagement Structure

## Illinois Police Officers Pension Investment Fund Service Structure / Governance Model

<p><b>Client Relationship Management</b></p>		<p><b>Bill Collins, VP</b> Relationship Manager</p>	<ul style="list-style-type: none"> <li>• Champion strategic client development</li> <li>• Involved in strategic planning, contract negotiations, key client communications and relations, and confirming client needs to operations</li> </ul>
<p><b>Client Service</b></p>		<p><b>Mary Ellen Macdonald, AVP</b> Client Service Manager</p>	<ul style="list-style-type: none"> <li>• Support day-to-day service delivery through regular interface</li> <li>• Facilitate information flow between Centers of Excellence and you</li> <li>• Responsible for monitoring daily and monthly deliverables</li> </ul>
<p><b>Organizational Support</b></p>		<p><b>Value Added Services</b> Centers of Excellence</p>	<ul style="list-style-type: none"> <li>• Accounting COE</li> <li>• Cash COE</li> <li>• LP COE</li> <li>• Class Action COE</li> <li>• Derivatives COE</li> <li>• Trade Processing COE</li> <li>• Investment Manager Services</li> <li>• Income COE</li> </ul>
<p><b>Transition Management</b></p>		<p><b>Scott Hockman, VP</b></p>	

# Conversion

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# Highlights

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## Conversion Highlights



### Plan Conversions

- Conversion of 351 Plans into State Street
  - Overview of conversion process
  - Coordination with multiple custodians, administrators and brokerage firms
  - CIAL and Reconciliations completed across each plan



### Ongoing Reporting

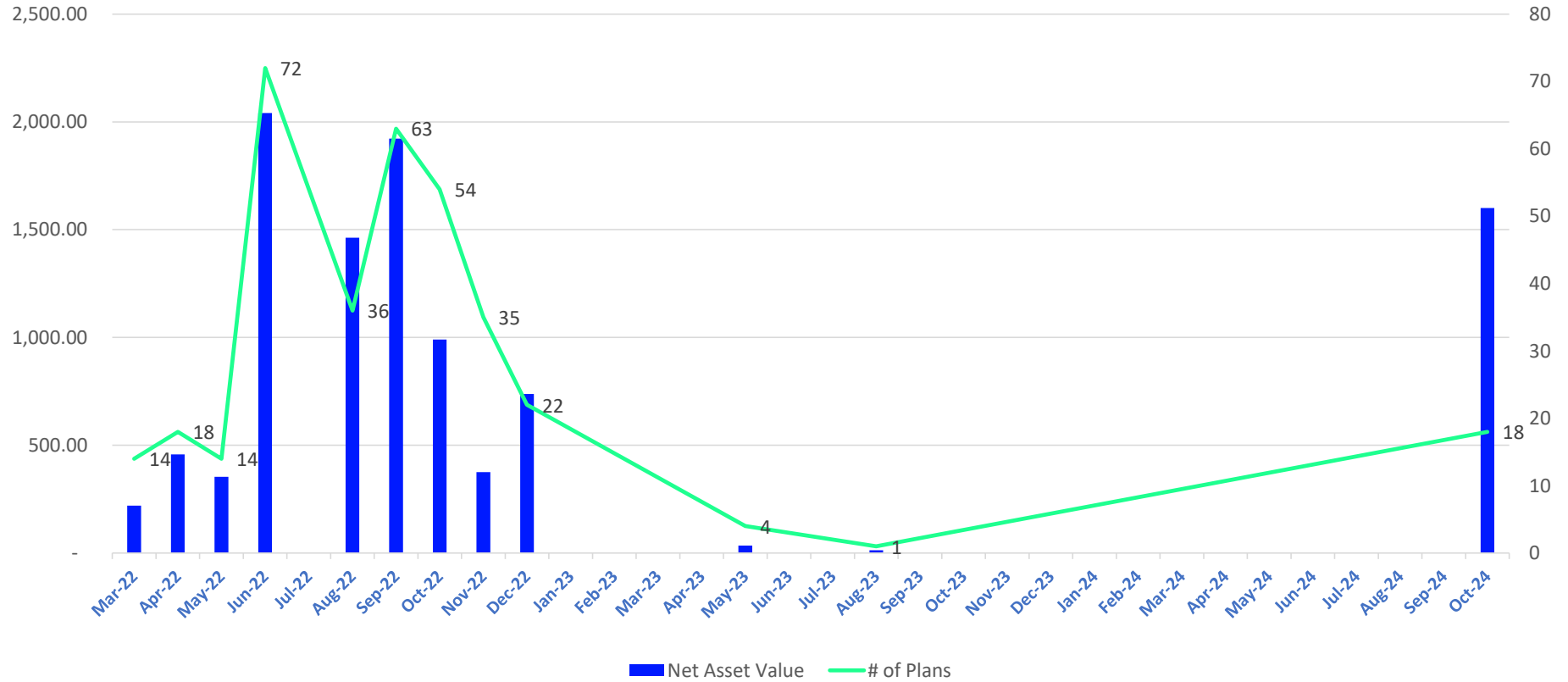
- Daily valuation of assets
- Contribution/Withdrawals
- Plan Reporting



### ID Setup

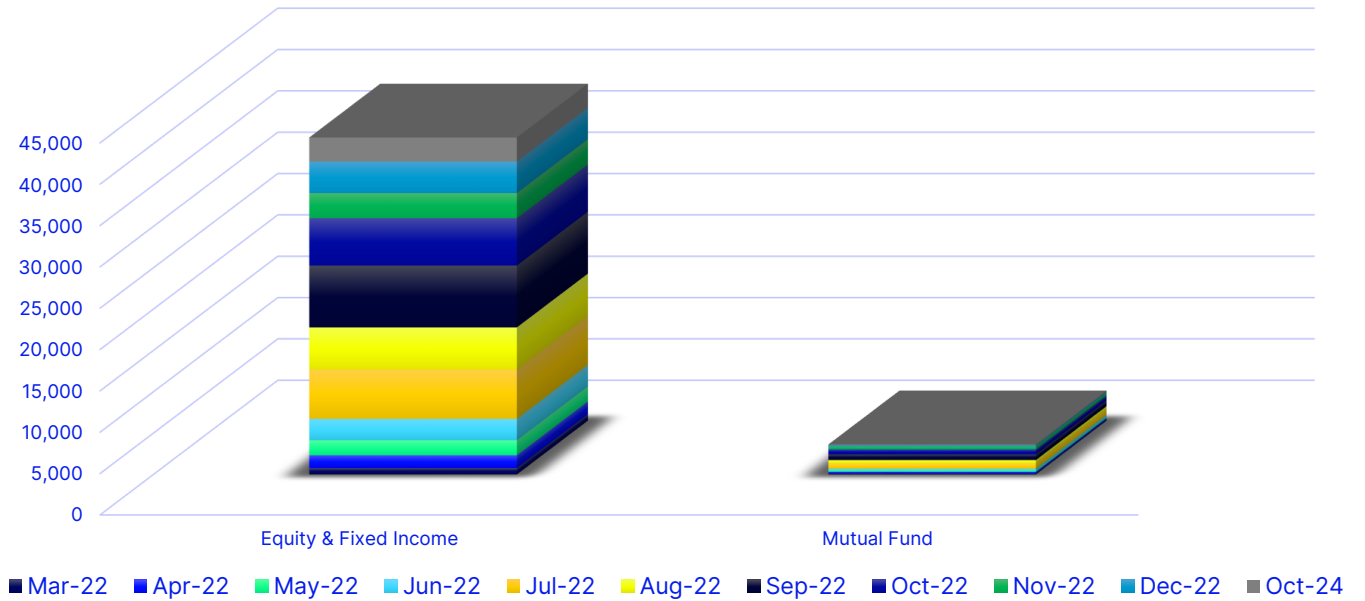
- 1,265 id's have been setup for access to State Streets cash platform
- Training and assistance provided to individual users

## Conversion – Net Asset Value and Plans



# Conversion – Assets

- Equity & Fixed Income – 40,808 positions received
- Mutual Funds – 3,646 positions received



## Biographical Information



### Bill Collins

Relationship Manager, US Asset Owner Division

Bill joined State Street in 1994, initially responsible for servicing Defined Benefit and Defined Contribution client relationships in our Master Trust Services Division. During his thirty years with State Street, Bill has been promoted through a variety of positions in custody operations, client services and strategic client management. This has allowed Bill to gain an in-depth understanding of the custodial business with a special focus on servicing the emerging needs of our larger, leading edge client relationships. Bill has held the positions of Client

Service Manager, Client Service Officer, and Senior Relationship Manager within the Institutional Trust Division. Utilizing his comprehensive technical and service background, Bill is currently the Account Executive for some of State Street's most complex Taft Hartley and Public Fund client relationships. Bill earned his B.S. in Finance from the University of Massachusetts.

## Biographical Information



### Mary Ellen MacDonald

Client Service US, Asset Owner Division

Mary Ellen joined our Mutual Funds Services division in 1998 as a Portfolio Accountant servicing several Mutual Fund clients where she was responsible for entering and monitoring general ledger activity, daily pricing and verifying daily Net Asset Values. In 2000, Mary Ellen transitioned to a Cash and Custody servicing role within Mutual Funds where she was responsible for forecasting daily cash, income collection and trade processing. In 2002, Mary Ellen was promoted to Customer Service Specialist where she was a primary contact for over two-dozen Investment Managers and acted as a liaison between State Street and the Investment Managers.

In 2006 Mary Ellen was promoted to Public Funds Client Service Manager where she serviced several large Public Fund Clients and assisted them with foreign market openings, new fund openings and our online system [my.statestreet.com](http://my.statestreet.com). In 2010 Mary Ellen was promoted to Client Service Officer and in 2017 she was promoted to Client Service Assistant Vice President. In her current role as Client Service Assistant Vice President, Mary Ellen is responsible for working with Asset Owners to ensure excellent service.

Mary Ellen holds a B.A. in Economics from Providence College.



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Expiration date: 2/28/2025 7225024.1.1.GBL.INST



## **Investment Management Services**

### **Private Credit**

### **December 13, 2024**

Following a robust search process, IPOPIF investment staff and consultant are recommending a Private Credit Manager for selection by the IPOPIF Board of Trustees.

# 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 9/30/24.
- Verus Consultant and the IPOPIF Chief Investment Officer will take questions and guidance from the Board of Trustees.



**PERIOD ENDING: September 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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Performance Review **Page 14**

# Executive Summary

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

Executive Summary

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- Total assets increased by over \$740 million to nearly \$11.3 billion over the quarter, largely drive by strong investment returns across the portfolio.
- Equity markets performed well in the quarter, as small cap and international equities exceeded U.S. large cap stocks for the first time in quite a while. Chinese equities outperformed other emerging markets following the announcement of aggressive economic stimulus measures late in the quarter and the promise of more to come.
- The IPOPIF Investment Portfolio returned 6.1% for the quarter, which modestly underperformed the Policy Index return of 6.3%, as well as the Broad-Based Policy Index of 6.9%, which reflects a higher equity allocation.
- Since inception in April 2022, the IPOPIF Portfolio has returned 6.0% on an average annualized basis through the end of the third quarter, compared to the Policy Index of 6.1% and the Broad-Based Policy Index of 6.0%.
- The IPOPIF Portfolio performed better than its median peer and ranked in the 7<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 September 30, 2024, all asset classes were within policy target ranges except Cash, which at 2.1% was slightly above the 2.0% target range high.

Notes:

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

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# Investment Landscape

# What drove the market in Q3?

Following the central bank rate hikes of 2022, markets have been eagerly waiting for inflation to come down to the Fed’s 2% target and for an adequate amount of softening to occur across the economy, to give the Federal Reserve confidence to kick off a series of rate cuts. The cost of shelter has been the greatest obstacle to lower inflation, as residential home prices continue to increase and data lags in official statistics will only slowly reflect more recent flattening of rent prices that has occurred recently. Inflation has cooled to 2.4%, but the fight may not be over.

The Fed indicated that significant progress has been made on the inflation front by delivering a surprisingly aggressive 50 basis point rate cut in September, which brought the Fed Funds target range down to 4.75-5.00%. This followed a series of labor market data and soft inflation prints that suggested conditions are normalizing. It seems that the Fed is now primarily focused on the labor market, which will take center stage in determining future rate decisions.

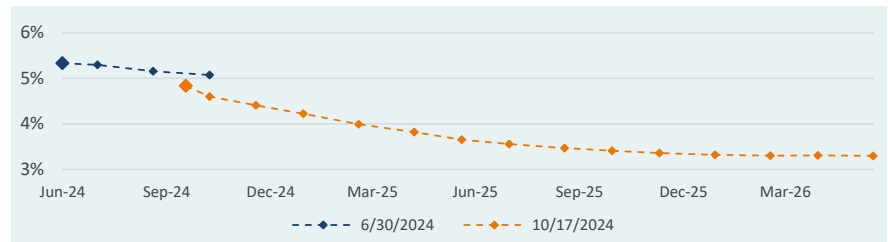
In September, China announced an aggressive economic stimulus program, after three years of ongoing mild support. President Xi pledged both fiscal and monetary support, with specific focus on the ailing real estate market, and stimulus to mitigate the downward trajectory of the stock market. Those moves followed a People’s Bank of China rate cut from 2.3% to 2.0%. It is not yet clear whether these developments will be sufficient to help turn around the Chinese economy, which faces serious structural issues such as a declining population, shrinking workforce, and nationwide excess inventory of real estate.

**CONSUMER PRICE INDEX, YEAR-OVER-YEAR CHANGE**



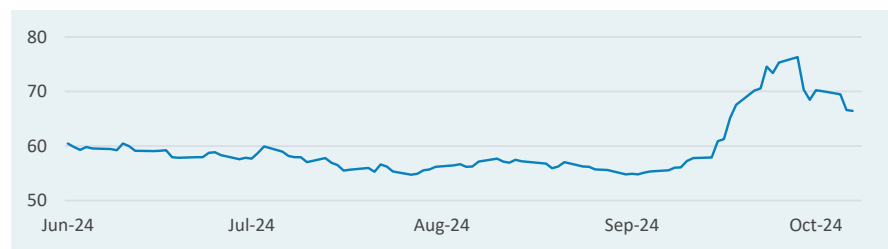
Source: FRED, as of 9/30/24

**U.S. MARKET IMPLIED FUTURE INTEREST RATES**



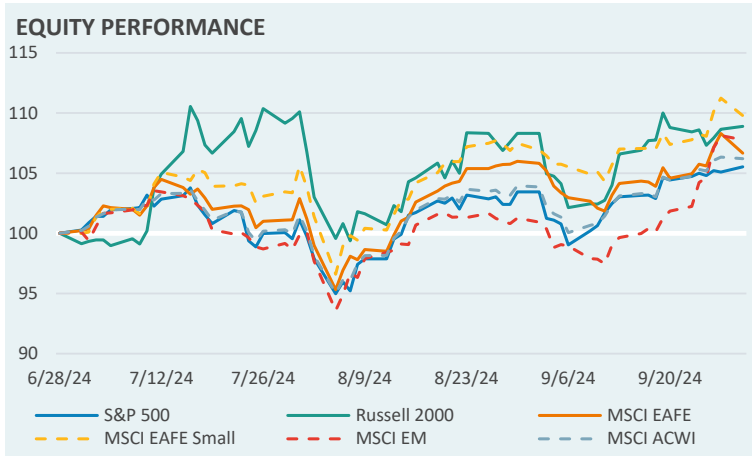
Source: CME Group, as of 10/17/24

**MSCI CHINA INDEX, PRICE**

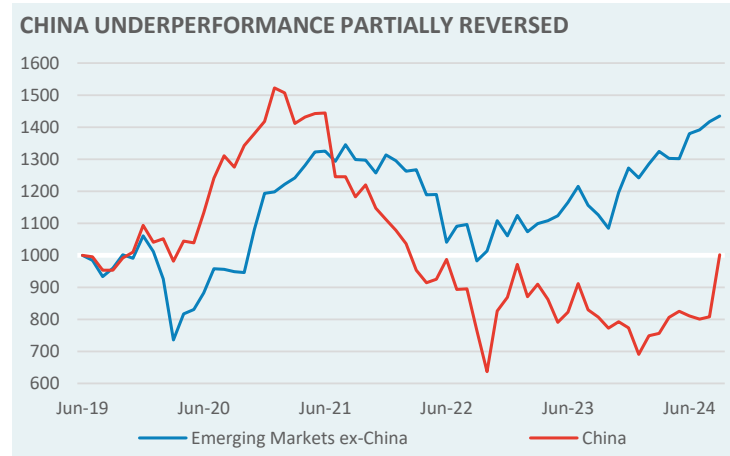


Source: MSCI, as of 10/17/24

# What happened?



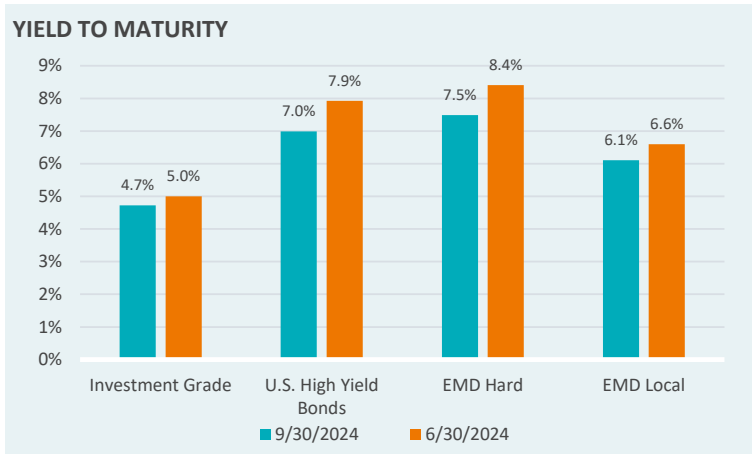
Source: S&P, MSCI, Russell, as of 9/30/24



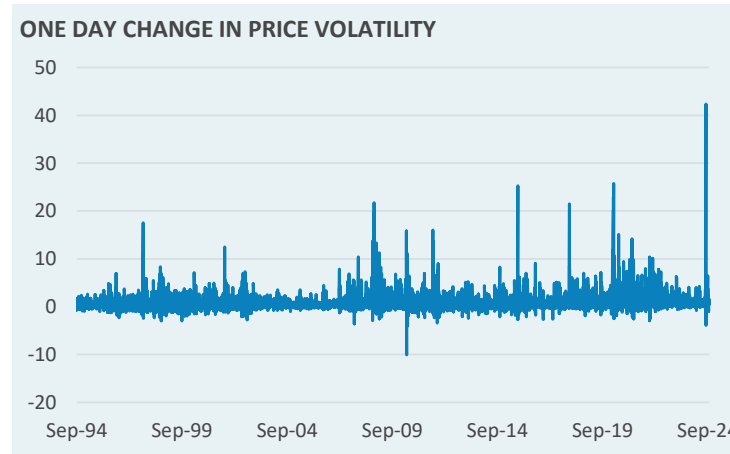
Source: MSCI, as of 9/30/24

All major equity markets performed well in Q3, despite August's historically large spike in volatility

The beginning of the rate cutting cycle led U.S. yields lower, while China experienced a rally after its stimulus announcements



Source: Bloomberg, J.P. Morgan, as of 9/30/24



Source: CBOE, as of 9/30/24

# GDP growth

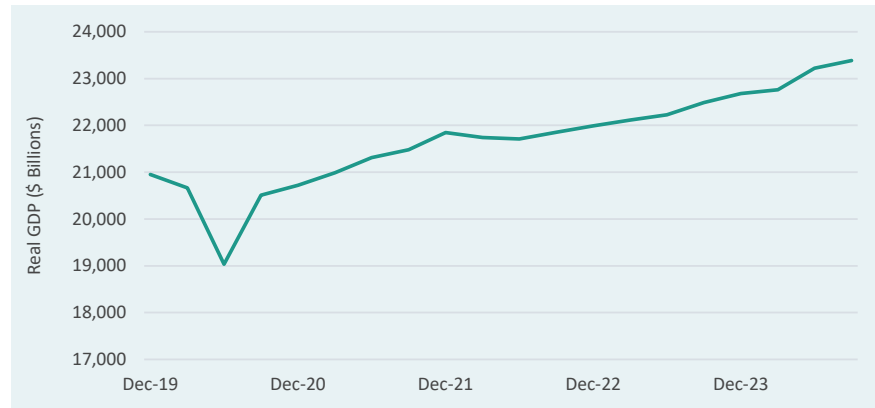
Real GDP growth was robust again during Q3, but slowed slightly from 3.0% to 2.8% quarter-over-quarter, annualized (2.7% year-over-year). Growth continues to be fueled by consumer purchases, which accelerated to a 3.7% annualized pace. Spending was broad based across goods and services. Heightened government defense spending was also a large contributor during the quarter. The moderate deceleration in real GDP growth was mainly caused by less private inventory investment, and a substantial slowing of residential fixed investment.

Although economic conditions remain strong, many economists and investors are wary of the sustainability of consumer

spending growth, given the drawdown of excess savings accumulated during the pandemic, lower personal savings rates, as well as slowing wage growth. The U.S. economy is likely headed towards a more moderate growth phase after many quarters of surprisingly hot growth and spending. Unlike past periods of economic weakening, many trends today could reasonably be summarized as a *return to normalcy*. For example, following the pandemic, the domestic labor market was experiencing a historic mismatch between the number of jobs available and the number of workers available. Resolving that mismatch required a material weakening of the labor market from *extreme tightness* to *relatively strong*, but not a move (yet) towards something that suggests recession.

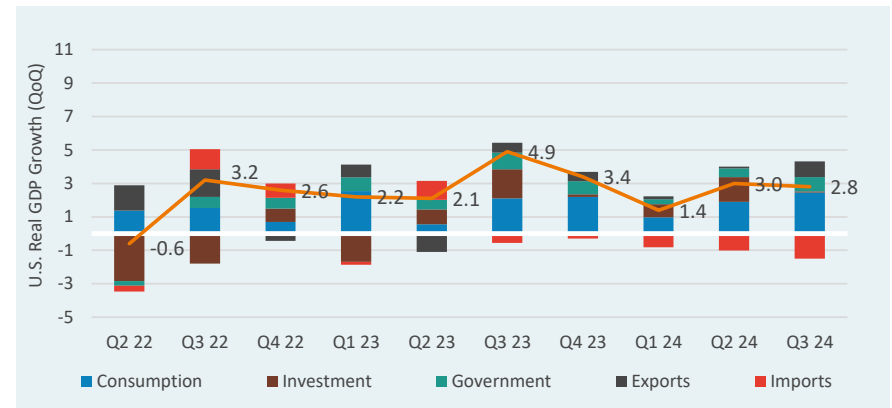
U.S. growth remained robust during Q3, fueled by consumer spending

## U.S. REAL GROSS DOMESTIC PRODUCT



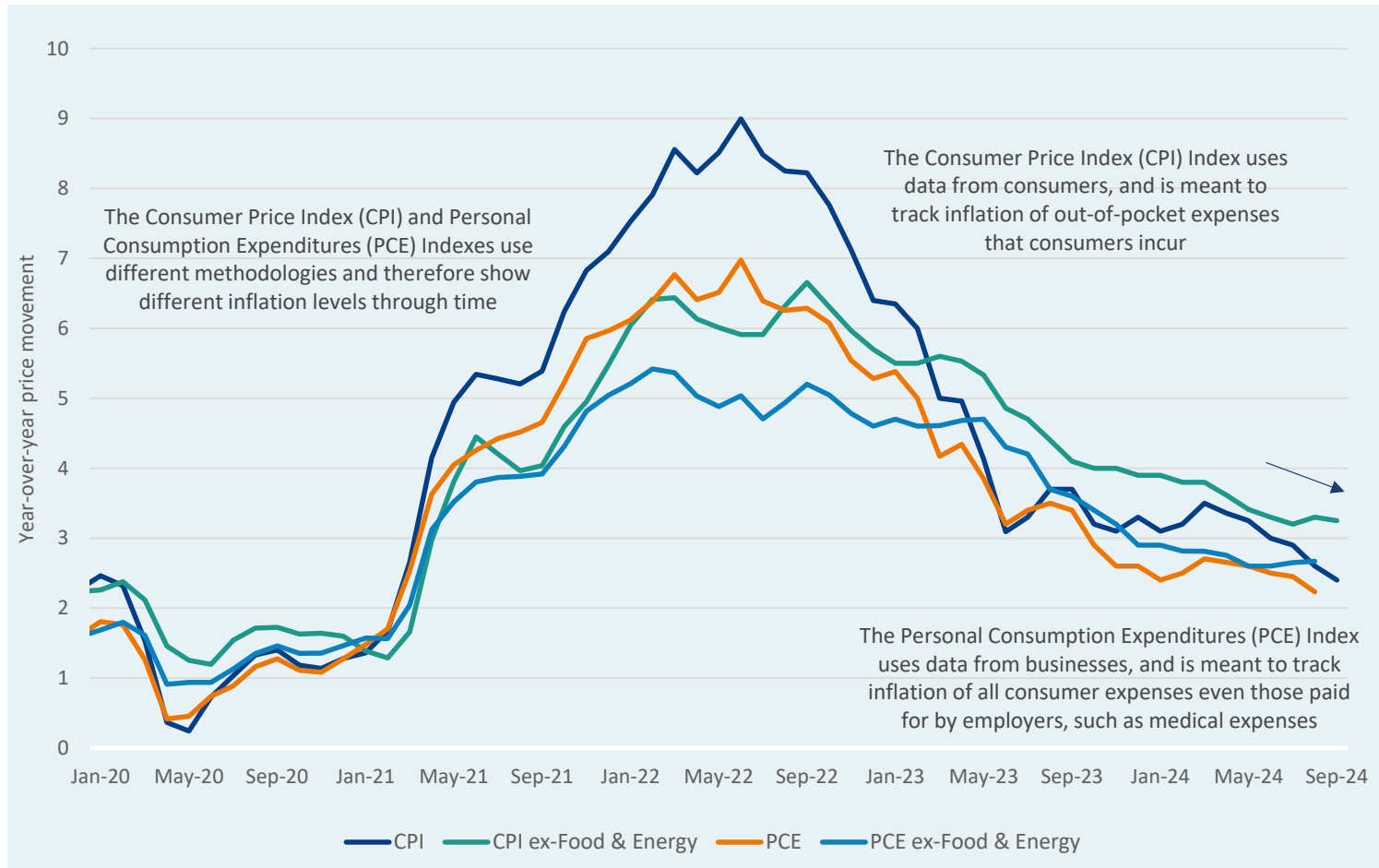
Source: FRED, as of 9/30/24

## U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 9/30/24

# Inflation is nearing the Fed's target



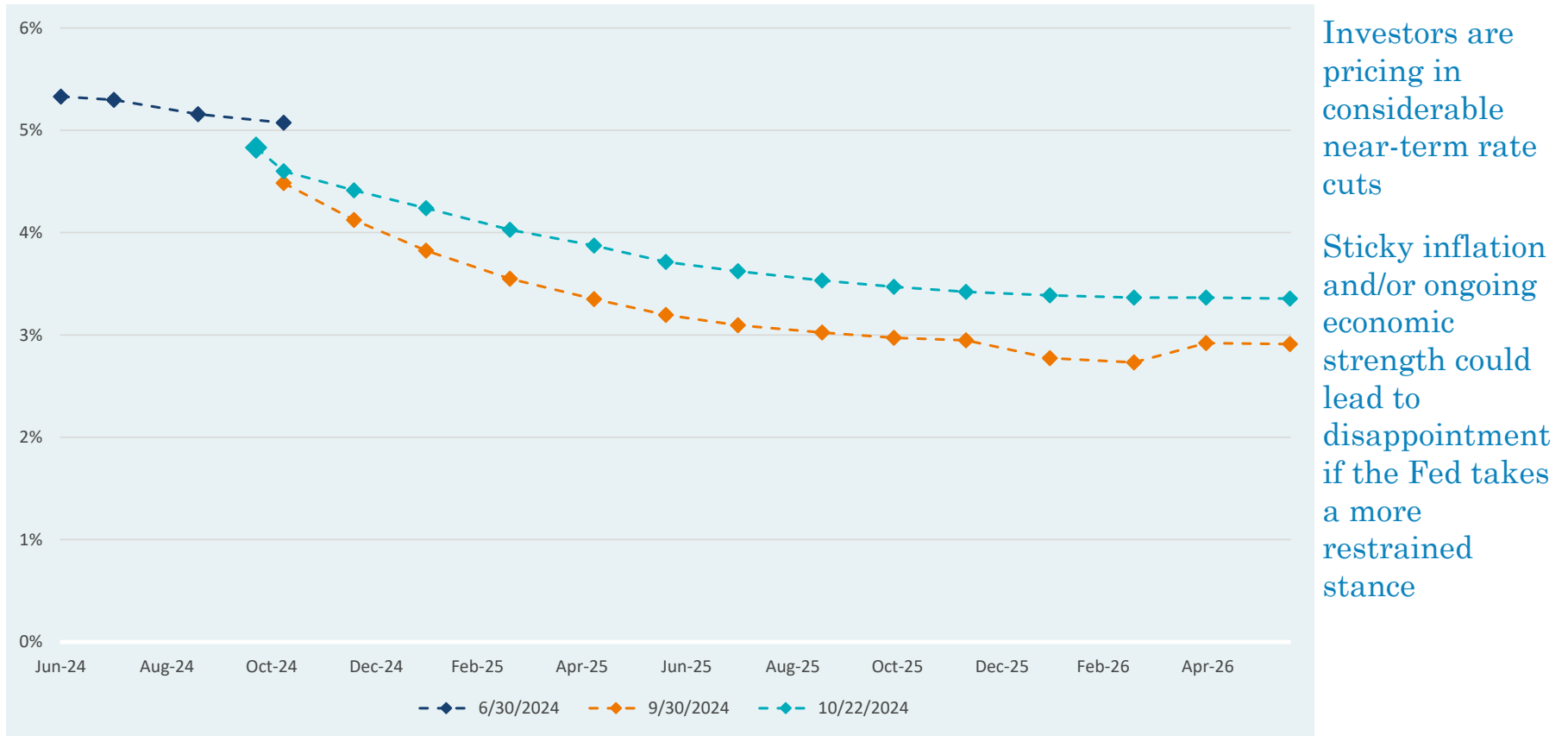
The Fed's preferred measure of inflation, PCE, may soon reach the stated 2% target

...though price pressures still exist in the economy

Source: FRED, Verus, as of 9/30/24 – or most recent release

# A new interest rate regime

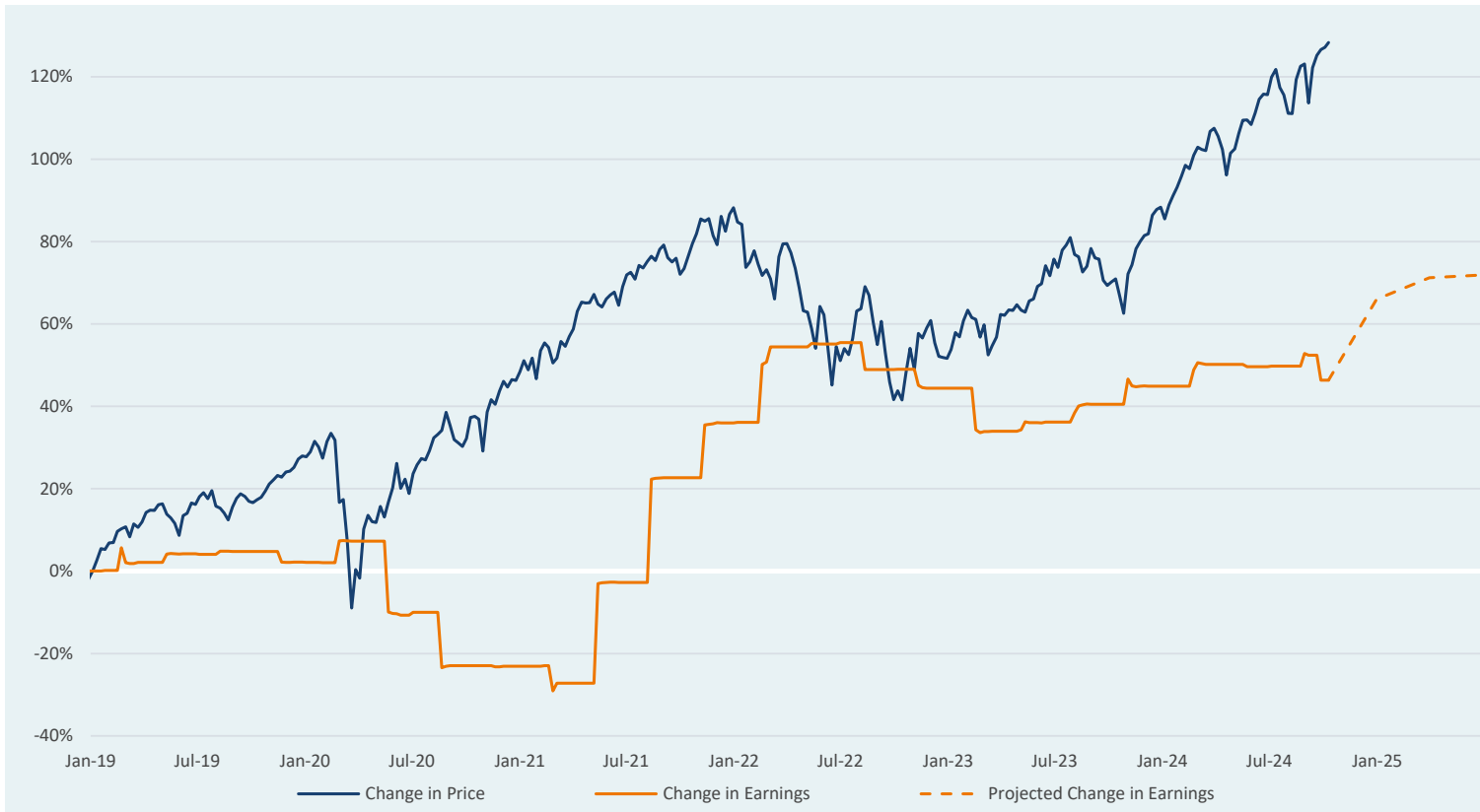
*Looking at the upcoming expected path of the Fed Funds rate (short-term rate)*



Source: Verus, as of 10/22/24

# Lofty U.S. equity valuations, but strong earnings are expected

S&P 500 PRICE GROWTH VS. EARNINGS GROWTH (SINCE 2019)



Valuations are in the 94th percentile relative to history, meaning multiples have only been this expensive 6% of the time.

But higher valuations may be partly justified by strong earnings forecasts

Source: Standard & Poor's, Verus, as of 10/10/24

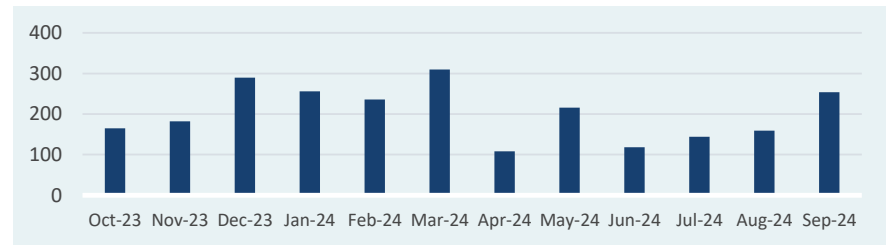
# What to watch for in Q4

The Fed has signaled that their primary focus has shifted from inflation to the labor market, and labor market data has become increasingly difficult to interpret due to large immigration trends. It will be important to monitor the data to gain a comprehensive understanding of the job market, which could have a significant bearing on future Fed moves.

Following the Fed's 50 basis point rate cut, medium- and longer-term interest rates have risen notably. While competing theories exist, it appears that recent strong labor market data has contributed to expectations for a slower rate cutting cycle, as a stronger job market suggests better economic growth and less need for cuts. Inflation expectations have also crept higher. Some investors have attributed these yield changes to shifting U.S. presidential election odds. Either way, the move higher in yields has made borrowing more expensive for items such as mortgages and auto loans.

The U.S. equity market remains very richly valued relative to history, in the top decile based on forward price-to-earnings. With strong future earnings already baked into the price, U.S. equities will need to continue to deliver positive earnings surprise, and likely also a clear path to profitability for artificial intelligence that many large companies have made significant investments into.

**CHANGE IN NONFARM PAYROLLS**



Source: Bureau of Labor Statistics, as of 9/30/24

**10 YEAR TREASURY YIELD**



Source: Department of the Treasury, as of 10/24/24

**S&P 500 FORWARD P/E RATIO**



Source: S&P, as of 9/30/24



# Notices & disclosures

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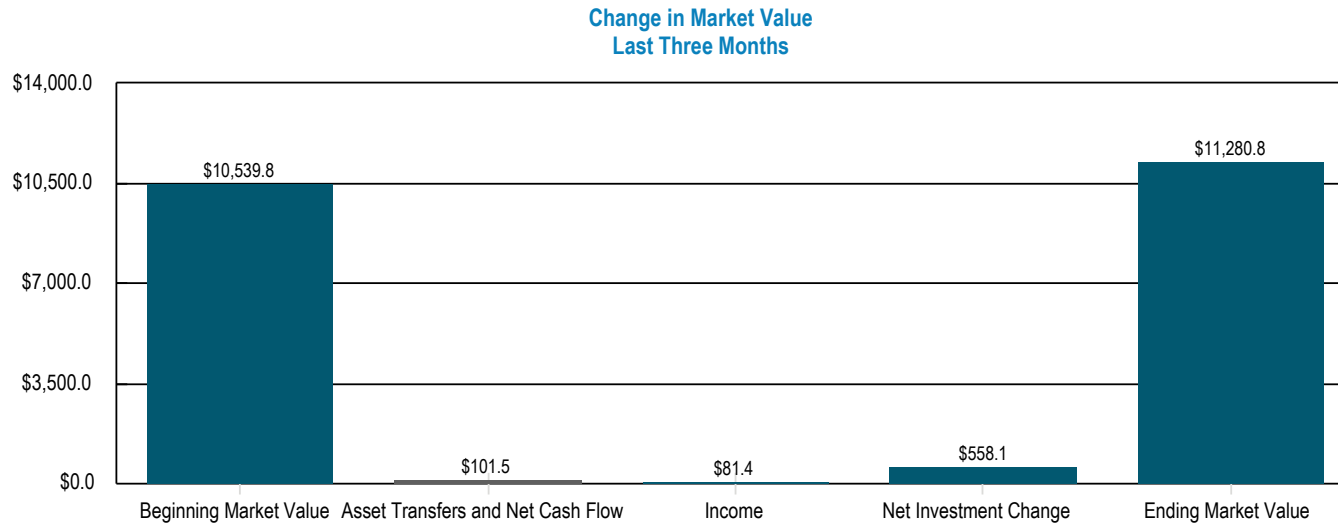
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# Performance Review

Total Fund  
Portfolio Reconciliation

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

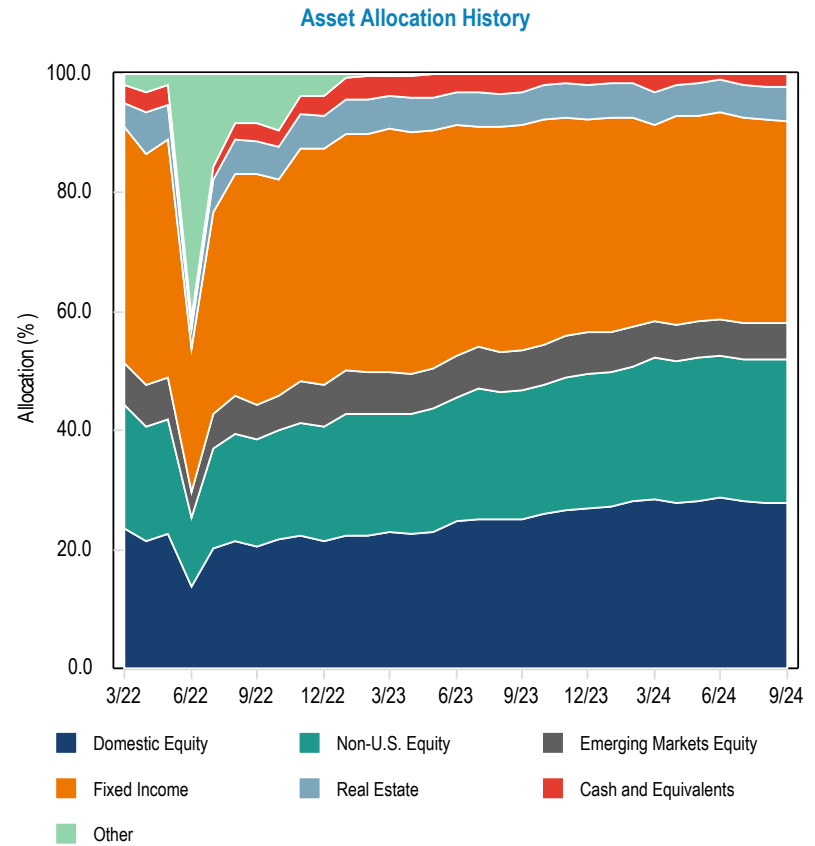
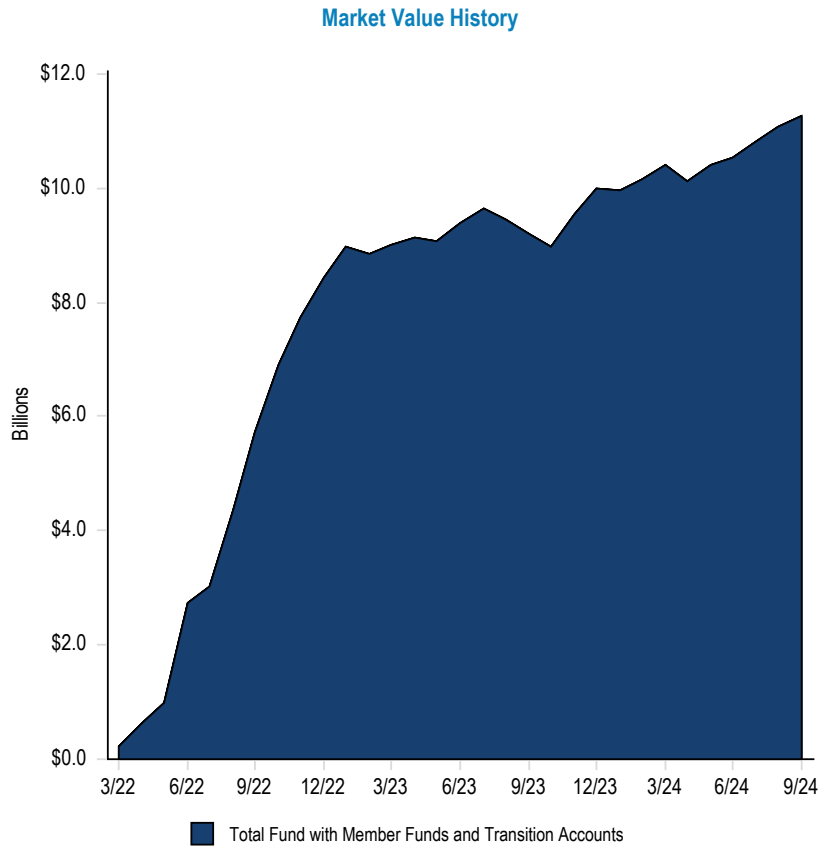
Portfolio Reconciliation		
	Quarter-To-Date	Fiscal Year-To-Date
Beginning Market Value	\$10,539,769,594	\$10,539,769,594
Asset Transfers and Net Cash	\$101,525,028	\$101,525,028
Income	\$81,404,022	\$81,404,022
Net Investment Change	\$558,125,920	\$558,125,920
<b>Ending Market Value</b>	<b>\$11,280,824,565</b>	<b>\$11,280,824,565</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

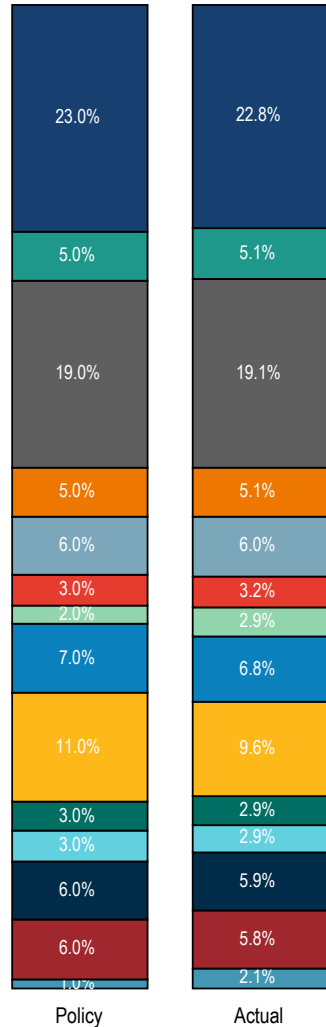
Illinois Police Officers' Pension Investment Fund  
Period Ending: September 30, 2024



*\*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: September 30, 2024



	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (%)	Excess Allocation (\$)	Policy Range (%)	Within IPS Range?
Domestic Equity Large Cap	2,569,651,965	22.8	23.0	-0.2	-24,937,685	21.0 - 25.0	Yes
Domestic Equity Small Cap	570,924,752	5.1	5.0	0.1	6,883,524	4.0 - 6.0	Yes
International Equity Large Cap	2,158,046,335	19.1	19.0	0.1	14,689,668	17.0 - 21.0	Yes
International Equity Small Cap	576,497,383	5.1	5.0	0.1	12,456,155	4.0 - 6.0	Yes
Emerging Markets Equity	675,235,958	6.0	6.0	0.0	-1,613,516	5.0 - 7.0	Yes
Domestic Fixed Income Core	358,365,182	3.2	3.0	0.2	19,940,445	2.0 - 4.0	Yes
Domestic Fixed Income Government	327,603,286	2.9	2.0	0.9	101,986,795	1.0 - 3.0	Yes
Domestic Fixed Income High Yield	766,156,280	6.8	7.0	-0.2	-23,501,439	6.0 - 8.0	Yes
Domestic Fixed Income Short Term	1,080,146,670	9.6	11.0	-1.4	-160,744,032	9.0 - 13.0	Yes
Domestic Fixed Income Real Return	323,115,321	2.9	3.0	-0.1	-15,309,416	2.0 - 4.0	Yes
Domestic Fixed Income Bank Loans	322,947,602	2.9	3.0	-0.1	-15,477,135	2.0 - 4.0	Yes
Emerging Markets Fixed Income	664,305,653	5.9	6.0	-0.1	-12,543,820	5.0 - 7.0	Yes
Real Estate	649,204,385	5.8	6.0	-0.2	-27,645,089	5.0 - 7.0	Yes
Cash and Equivalents	238,623,794	2.1	1.0	1.1	125,815,548	0.0 - 2.0	No
<b>Total</b>	<b>11,280,824,565</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: September 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>11,280,824,565</b>	<b>100.0</b>	<b>6.1</b>	<b>11.8</b>	<b>6.1</b>	<b>21.6</b>	<b>6.1</b>	<b>03/01/22</b>
<i>Policy Index</i>			6.3	12.0	6.3	22.0	6.1	
<i>Policy Index- Broad Based</i>			6.9	13.5	6.9	25.1	6.1	
<b>IPOPIF Investment Portfolio</b>	<b>11,280,824,565</b>	<b>100.0</b>	<b>6.1</b>	<b>11.8</b>	<b>6.1</b>	<b>21.6</b>	<b>6.0</b>	<b>04/01/22</b>
<i>Policy Index</i>			6.3	12.0	6.3	22.0	6.1	
<i>Policy Index- Broad Based</i>			6.9	13.5	6.9	25.1	6.0	
<b>Growth</b>	<b>6,550,356,393</b>	<b>58.1</b>	<b>6.8</b>	<b>15.8</b>	<b>6.8</b>	<b>28.5</b>	<b>7.7</b>	<b>04/01/22</b>
<i>Growth Benchmark</i>			7.2	16.1	7.2	29.0	7.7	
<b>Income</b>	<b>1,753,409,535</b>	<b>15.5</b>	<b>5.1</b>	<b>7.9</b>	<b>5.1</b>	<b>16.5</b>	<b>4.1</b>	<b>04/01/22</b>
<i>Income Benchmark</i>			5.0	7.7	5.0	16.3	5.0	
<b>Real Assets</b>	<b>649,204,385</b>	<b>5.8</b>	<b>11.3</b>	<b>10.0</b>	<b>11.3</b>	<b>21.6</b>	<b>1.6</b>	<b>04/01/22</b>
<i>Real Assets Benchmark</i>			10.2	8.7	10.2	18.6	-1.8	
<b>Risk Mitigation</b>	<b>2,327,750,000</b>	<b>20.6</b>	<b>3.3</b>	<b>4.7</b>	<b>3.3</b>	<b>8.2</b>	<b>2.8</b>	<b>04/01/22</b>
<i>Risk Mitigation Benchmark</i>			3.3	4.7	3.3	8.1	2.7	
<b>IPOPIF Pool Fixed Income Transition</b>	<b>104,252</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: September 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>11,280,824,565</b>	<b>100.0</b>	<b>6.1</b>	<b>11.8</b>	<b>6.1</b>	<b>21.6</b>	<b>13.7</b>	<b>6.1</b>	<b>03/01/22</b>
<i>Policy Index</i>			6.3	12.0	6.3	22.0	14.2	6.1	
<i>Policy Index- Broad Based</i>			6.9	13.5	6.9	25.1	16.8	6.1	
<i>All Public Plans &gt; \$1B-Total Fund Rank</i>			7	17	7	11	12	26	
<b>IPOPIF Investment Portfolio</b>	<b>11,280,824,565</b>	<b>100.0</b>	<b>6.1</b>	<b>11.8</b>	<b>6.1</b>	<b>21.6</b>	<b>13.7</b>	<b>6.0</b>	<b>04/01/22</b>
<i>Policy Index</i>			6.3	12.0	6.3	22.0	14.2	6.1	
<i>Policy Index- Broad Based</i>			6.9	13.5	6.9	25.1	16.8	6.0	
<i>All Public Plans &gt; \$1B-Total Fund Rank</i>			7	17	7	11	11	22	
<b>Growth</b>	<b>6,550,356,393</b>	<b>58.1</b>	<b>6.8</b>	<b>15.8</b>	<b>6.8</b>	<b>28.5</b>	<b>19.4</b>	<b>7.7</b>	<b>04/01/22</b>
<i>Growth Benchmark</i>			7.2	16.1	7.2	29.0	19.5	7.7	
RhumbLine Russell 1000 Index	2,569,651,965	22.8	6.1	21.1	6.1	35.6	26.5	14.7	03/15/22
<i>Russell 1000 Index</i>			6.1	21.2	6.1	35.7	26.5	14.8	
<i>eV US Large Cap Core Equity Rank</i>			41	43	41	39	25		
RhumbLine Russell 2000 Index	570,924,752	5.1	9.2	11.2	9.2	26.6	16.8	6.9	03/15/22
<i>Russell 2000 Index</i>			9.3	11.2	9.3	26.8	16.9	7.2	
<i>eV US Small Cap Core Equity Rank</i>			39	55	39	37	56		
SSgA Non-US Developed Index	2,158,046,335	19.1	7.8	13.4	7.8	25.4	18.3	10.4	03/10/22
<i>MSCI World ex U.S. (Net)</i>			7.8	13.1	7.8	25.0	17.9	10.0	
<i>eV EAFE Core Equity Rank</i>			48	41	48	36	36		
<b>International Developed Small Cap Equity</b>	<b>576,497,383</b>	<b>5.1</b>	<b>7.4</b>	<b>10.7</b>	<b>7.4</b>	<b>22.4</b>	<b>12.9</b>	<b>2.9</b>	<b>04/01/22</b>
<i>MSCI World ex U.S. Small Cap Index (Net)</i>			10.4	11.5	10.4	23.4	12.6	2.9	
Acadian ACWI ex US Small-Cap Fund	289,188,093	2.6	8.0	-	8.0	-	-	16.9	01/30/24
<i>MSCI AC World ex USA Small Cap (Net)</i>			8.9	-	8.9	-	-	14.7	
<i>eV ACWI ex-US Small Cap Equity Rank</i>			41	-	41	-	-		
WCM International Small Cap Growth Fund	150,132,217	1.3	5.6	-	5.6	-	-	4.3	03/01/24
<i>MSCI AC World ex USA Small Cap (Net)</i>			8.9	-	8.9	-	-	12.8	
<i>eV ACWI ex-US Small Cap Equity Rank</i>			80	-	80	-	-	96	
LSV International Small Cap Value Equity Fund	137,177,073	1.2	8.0	-	8.0	-	-	11.5	03/01/24
<i>S&amp;P Developed Ex-U.S. SmallCap (Net)</i>			8.6	-	8.6	-	-	12.0	
<i>eV EAFE Small Cap Value Rank</i>			80	-	80	-	-	71	

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: September 30, 2024

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	2023	Since Inception	Inception Date
<b>Emerging Market Equities</b>	<b>675,235,958</b>	<b>6.0</b>	<b>4.1</b>	<b>12.0</b>	<b>4.1</b>	<b>20.8</b>	<b>9.7</b>	<b>2.6</b>	<b>04/01/22</b>
<i>MSCI Emerging Markets (Net)</i>			8.7	16.9	8.7	26.1	9.8	4.0	
SSgA Emerging Markets Equity Index	88,693,335	0.8	8.1	15.8	8.1	24.8	9.6	4.7	03/10/22
<i>MSCI Emerging Markets (Net)</i>			8.7	16.9	8.7	26.1	9.8	5.8	
<i>eV Emg Mkts Equity Rank</i>			35	41	35	43	65		
SSgA Emerging Markets ex China Equity	586,542,623	5.2	3.0	-	3.0	-	-	8.8	05/01/24
<i>MSCI Emerging Markets ex China (Net)</i>			4.0	-	4.0	-	-	10.1	
<i>eV Emg Mkts Equity Rank</i>			92	-	92	-	-	81	
<b>Income</b>	<b>1,753,409,535</b>	<b>15.5</b>	<b>5.1</b>	<b>7.9</b>	<b>5.1</b>	<b>16.5</b>	<b>12.8</b>	<b>4.1</b>	<b>04/01/22</b>
<i>Income Benchmark</i>			5.0	7.7	5.0	16.3	12.6	5.0	
SSgA High Yield Corporate Credit	766,156,280	6.8	5.3	8.2	5.3	16.0	13.8	5.4	03/18/22
<i>Spliced SSgA U.S. High Yield Index</i>			5.3	8.0	5.3	15.7	13.5	5.3	
<i>eV US High Yield Fixed Inc Rank</i>			9	22	9	9	12	21	
SSgA EMD Hard Index Fund	664,305,653	5.9	6.3	8.8	6.3	18.8	11.2	4.3	03/14/22
<i>Spliced SSgA EMD Hard Index</i>			6.2	8.6	6.2	18.6	11.1	4.4	
<i>Emerging Markets Bond Rank</i>			49	33	49	42	51		
<b>Bank Loans</b>	<b>322,947,602</b>	<b>2.9</b>	<b>2.0</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>4.8</b>	<b>03/01/24</b>
<i>Credit Suisse Leveraged Loan Index</i>			2.0	-	2.0	-	-	4.8	
Ares Institutional Loan Fund	104,689,809	0.9	2.2	-	2.2	-	-	5.2	03/01/24
<i>Credit Suisse Leveraged Loan Index</i>			2.0	-	2.0	-	-	4.8	
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			29	-	29	-	-	21	
Aristotle Institutional Loan Fund	218,257,793	1.9	1.9	-	1.9	-	-	4.7	03/01/24
<i>Credit Suisse Leveraged Loan Index</i>			2.0	-	2.0	-	-	4.8	
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			58	-	58	-	-	54	
<b>Real Assets</b>	<b>649,204,385</b>	<b>5.8</b>	<b>11.3</b>	<b>10.0</b>	<b>11.3</b>	<b>21.6</b>	<b>5.6</b>	<b>1.6</b>	<b>04/01/22</b>
<i>Real Assets Benchmark</i>			10.2	8.7	10.2	18.6	4.7	-1.8	
SSgA REITs Index	491,584,996	4.4	15.5	14.9	15.5	33.7	13.9	2.2	03/16/22
<i>Dow Jones U.S. Select REIT Total Return Index</i>			15.6	14.9	15.6	33.7	14.0	2.3	
<i>eV US REIT Rank</i>			75	52	75	49	36		
Principal USPA	157,619,390	1.4	-0.2	-3.0	-0.2	-5.2	-10.7	-6.8	04/06/22
<i>NFI-ODCE Equal-Weighted Index</i>			-0.1	-3.3	-0.1	-8.4	-13.3	-6.9	

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Total Fund  
Executive Summary (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	YTD	Fiscal YTD	1 Yr	2023	Since Inception	Inception Date
<b>Risk Mitigation</b>	<b>2,327,750,000</b>	<b>20.6</b>	<b>3.3</b>	<b>4.7</b>	<b>3.3</b>	<b>8.2</b>	<b>5.0</b>	<b>2.8</b>	<b>04/01/22</b>
<i>Risk Mitigation Benchmark</i>			3.3	4.7	3.3	8.1	4.9	2.7	
SSgA US Treasury Index	327,603,286	2.9	4.7	-	4.7	-	-	7.4	05/01/24
<i>Blmbg. U.S. Treasury Index</i>			4.7	-	4.7	-	-	7.3	
<i>eV US Government Fixed Inc Rank</i>			61	-	61	-	-	61	
SSgA Core Fixed Income Index	358,365,182	3.2	5.2	4.6	5.2	11.6	5.6	0.6	03/17/22
<i>Blmbg. U.S. Aggregate Index</i>			5.2	4.4	5.2	11.6	5.5	0.5	
<i>eV US Core Fixed Inc Rank</i>			40	76	40	70	64		
SSgA Short-Term Gov't/Credit Index	1,080,042,418	9.6	3.0	4.4	3.0	7.2	4.6	2.8	03/17/22
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			3.0	4.4	3.0	7.2	4.6	2.8	
<i>eV US Short Duration Fixed Inc Rank</i>			49	73	49	77	81		
SSgA US TIPS Index	323,115,321	2.9	2.5	4.8	2.5	7.5	4.6	2.0	03/17/22
<i>Blmbg. U.S. TIPS 0-5 Year</i>			2.5	4.8	2.5	7.5	4.6	2.1	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			94	75	94	94	21		
Cash	238,623,794	2.1	1.3	3.9	1.3	5.2	5.0	3.8	03/22/22
<i>90 Day U.S. Treasury Bill</i>			1.4	4.0	1.4	5.5	5.0	4.1	
<b>IPOPIF Pool Fixed Income Transition</b>	<b>104,252</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: September 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: September 30, 2024

Name	Asset Class	Vehicle Type	Market Value	% of Portfolio	Estimated Fee Value	Expense Fee (%)
RhumbLine Russell 1000 Index	Domestic Equity	Separate Account	\$2,569,651,965	22.7789	\$128,483	0.005
RhumbLine Russell 2000 Index	Domestic Equity	Separate Account	\$570,924,752	5.0610	\$28,546	0.005
SSgA Non-US Developed Index	Non-U.S. Equity	Commingled Fund	\$2,158,046,335	19.1302	\$194,224	0.009
Acadian ACWI ex US Small-Cap Fund	Non-U.S. Equity	Commingled Fund	\$289,188,093	2.5635	\$1,740,535	0.602
WCM International Small Cap Growth Fund	Non-U.S. Equity	Commingled Fund	\$150,132,217	1.3309	\$750,661	0.500
LSV International Small Cap Value Equity Fund	Non-U.S. Equity	Commingled Fund	\$137,177,073	1.2160	\$1,172,417	0.855
SSgA Emerging Markets Equity Index	Emerging Markets Equity	Commingled Fund	\$88,693,335	0.7862	\$31,043	0.035
SSgA Emerging Markets ex China Equity	Emerging Markets Equity	Commingled Fund	\$586,542,623	5.1995	\$205,290	0.035
SSgA High Yield Corporate Credit	Fixed Income	Commingled Fund	\$766,156,280	6.7917	\$268,155	0.035
SSgA EMD Hard Index Fund	Fixed Income	Commingled Fund	\$664,305,653	5.8888	\$232,507	0.035
Ares Institutional Loan Fund	Fixed Income	Commingled Fund	\$104,689,809	0.9280	\$261,725	0.250
Aristotle Institutional Loan Fund	Fixed Income	Commingled Fund	\$218,257,793	1.9348	\$833,902	0.382
SSgA REITs Index	Real Estate	Commingled Fund	\$491,584,996	4.3577	\$44,243	0.009
Principal USPA	Real Estate	Commingled Fund	\$157,619,390	1.3972	\$1,260,955	0.800
SSgA US Treasury Index	Fixed Income	Commingled Fund	\$327,603,286	2.9041	\$29,484	0.009
SSgA Core Fixed Income Index	Fixed Income	Commingled Fund	\$358,365,182	3.1768	\$32,253	0.009
SSgA Short-Term Gov't/Credit Index	Fixed Income	Commingled Fund	\$1,080,042,418	9.5741	\$97,204	0.009
SSgA US TIPS Index	Fixed Income	Separate Account	\$323,115,321	2.8643	\$29,080	0.009
Cash	Cash and Equivalents	Commingled Fund	\$238,623,794	2.1153		
<b>IPOPIF Investment Portfolio</b>			<b>\$11,280,824,565</b>	<b>100.0000</b>	<b>\$7,340,705</b>	<b>0.065</b>

Total Fund  
Cash Flow by Manager - Last Three Months

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

Name	Beginning Market Value	Contributions	Distributions	Net Cash Flows	Income	Fees	Net Investment Change	Ending Market Value
RhumbLine Russell 1000 Index	\$2,496,600,162	\$30,090	-\$74,000,000	-\$73,969,910	\$8,151,621	-\$30,090	\$138,900,182	\$2,569,651,965
RhumbLine Russell 2000 Index	\$522,664,461	\$6,470	-	\$6,470	\$1,916,977	-\$6,470	\$46,343,315	\$570,924,752
SSgA Non-US Developed Index	\$2,002,332,057	-	-	-	\$15,089,579	-	\$140,624,699	\$2,158,046,335
SSgA Non-US Developed SC Index	-	-	-	-	-	-	-	-
Acadian ACWI ex US Small-Cap Fund	\$267,368,105	\$395,673	-	\$395,673	\$2,187,720	-\$395,673	\$19,632,268	\$289,188,093
WCM International Small Cap Growth Fund	\$123,182,340	\$20,000,000	-	\$20,000,000	\$284,431	-\$221,402	\$6,886,848	\$150,132,217
LSV International Small Cap Value Equity Fund	\$126,733,121	\$272,587	-	\$272,587	\$1,315,281	-\$272,587	\$9,128,671	\$137,177,073
SSgA Emerging Markets Equity Index	\$340,140,081	-	-\$264,000,000	-\$264,000,000	\$1,596,252	-	\$10,957,001	\$88,693,335
SSgA Emerging Markets ex China Equity	\$310,595,881	\$264,000,000	-	\$264,000,000	\$2,713,777	-	\$9,232,966	\$586,542,623
SSgA High Yield Corporate Credit	\$727,292,077	-	-	-	\$12,463,268	-	\$26,400,935	\$766,156,280
SSgA EMD Hard Index Fund	\$625,225,679	-	-	-	\$9,335,689	-	\$29,744,285	\$664,305,653
Ares Institutional Loan Fund	\$102,476,499	-	-	-	\$188,918	-\$65,471	\$2,089,863	\$104,689,809
Aristotle Institutional Loan Fund	\$204,310,952	\$10,000,000	-	\$10,000,000	\$4,108,200	-\$161,359	-	\$218,257,793
SSgA REITs Index	\$425,437,445	-	-	-	\$2,828,917	-	\$63,318,634	\$491,584,996
Principal USPA	\$157,860,163	-	-	-	\$1,756,968	-\$319,119	-\$1,678,623	\$157,619,390
SSgA US Treasury Index	\$312,777,339	-	-	-	\$2,543,814	-	\$12,282,133	\$327,603,286
SSgA Core Fixed Income Index	\$340,632,002	-	-	-	\$3,231,397	-	\$14,501,783	\$358,365,182
SSgA Short-Term Gov't/Credit Index	\$1,048,922,103	-	-	-	\$8,486,877	-	\$22,633,437	\$1,080,042,418
SSgA US TIPS Index	\$315,325,968	-	-	-	\$664,012	-	\$7,125,341	\$323,115,321
Cash	\$89,793,255	\$314,110,010	-\$167,817,631	\$146,292,379	\$2,537,969	-	\$191	\$238,623,794
IPOPIF Pool Fixed Income Transition	\$99,906	-	-	-	\$131	-	\$4,215	\$104,252
Member Accounts	-	-	-	-	\$2,223	-	-\$2,223	-
<b>Total Fund with Member Funds and Transition Accounts</b>	<b>\$10,539,769,594</b>	<b>\$608,814,830</b>	<b>-\$505,817,631</b>	<b>\$102,997,199</b>	<b>\$81,404,022</b>	<b>-\$1,472,171</b>	<b>\$558,125,920</b>	<b>\$11,280,824,565</b>

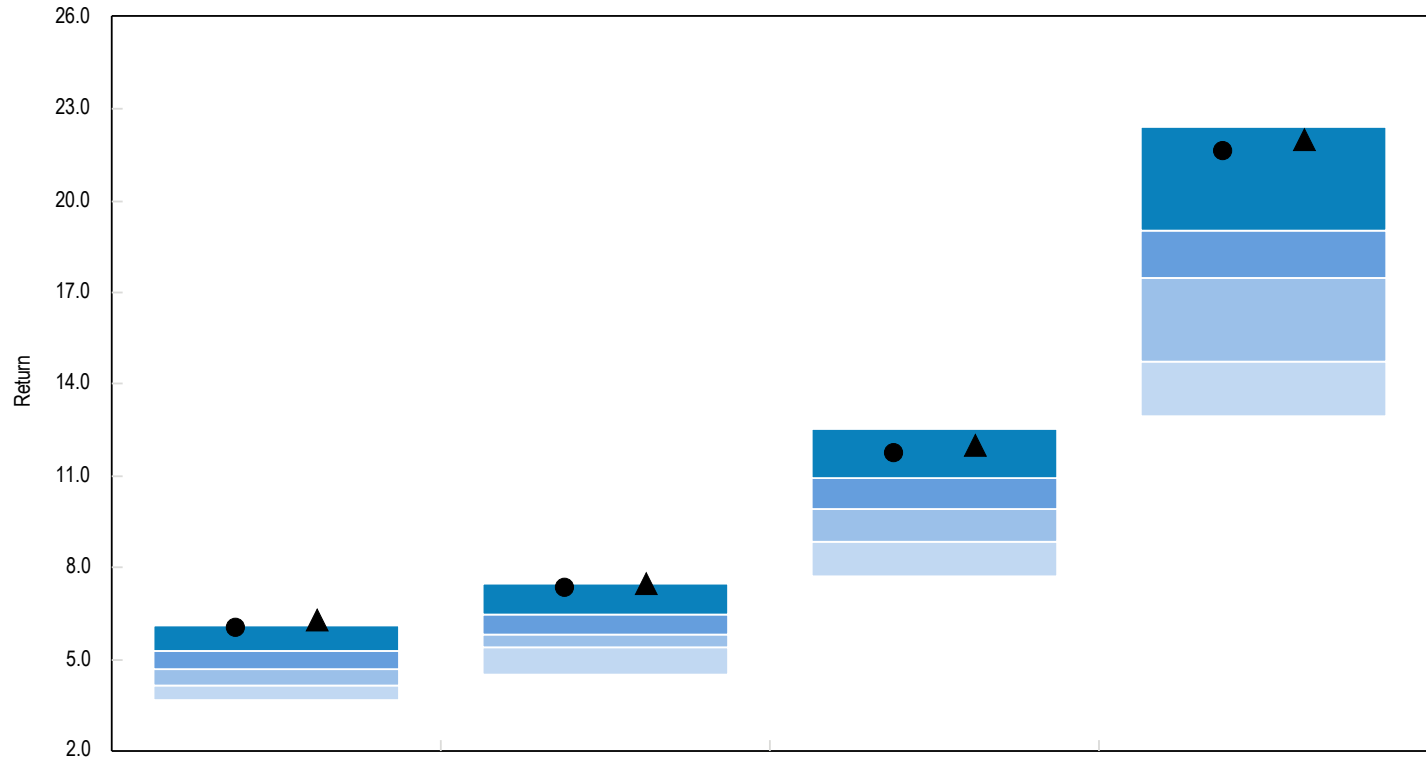
IPOPIF Investment Portfolio

Illinois Police Officers' Pension Investment Fund

Peer Universe Comparison: Cumulative Performance (Net of Fees)

Period Ending: September 30, 2024

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



	Quarter	2 Quarters	3 Quarters	1 Year
● IPOPIF Investment Portfolio	6.1 (7)	7.4 (8)	11.8 (17)	21.6 (11)
▲ Policy Index	6.3 (3)	7.5 (4)	12.0 (12)	22.0 (10)
5th Percentile	6.1	7.5	12.6	22.4
1st Quartile	5.3	6.4	10.9	19.0
Median	4.7	5.8	9.9	17.5
3rd Quartile	4.1	5.4	8.8	14.7
95th Percentile	3.7	4.5	7.7	13.0
Population	105	105	105	105

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

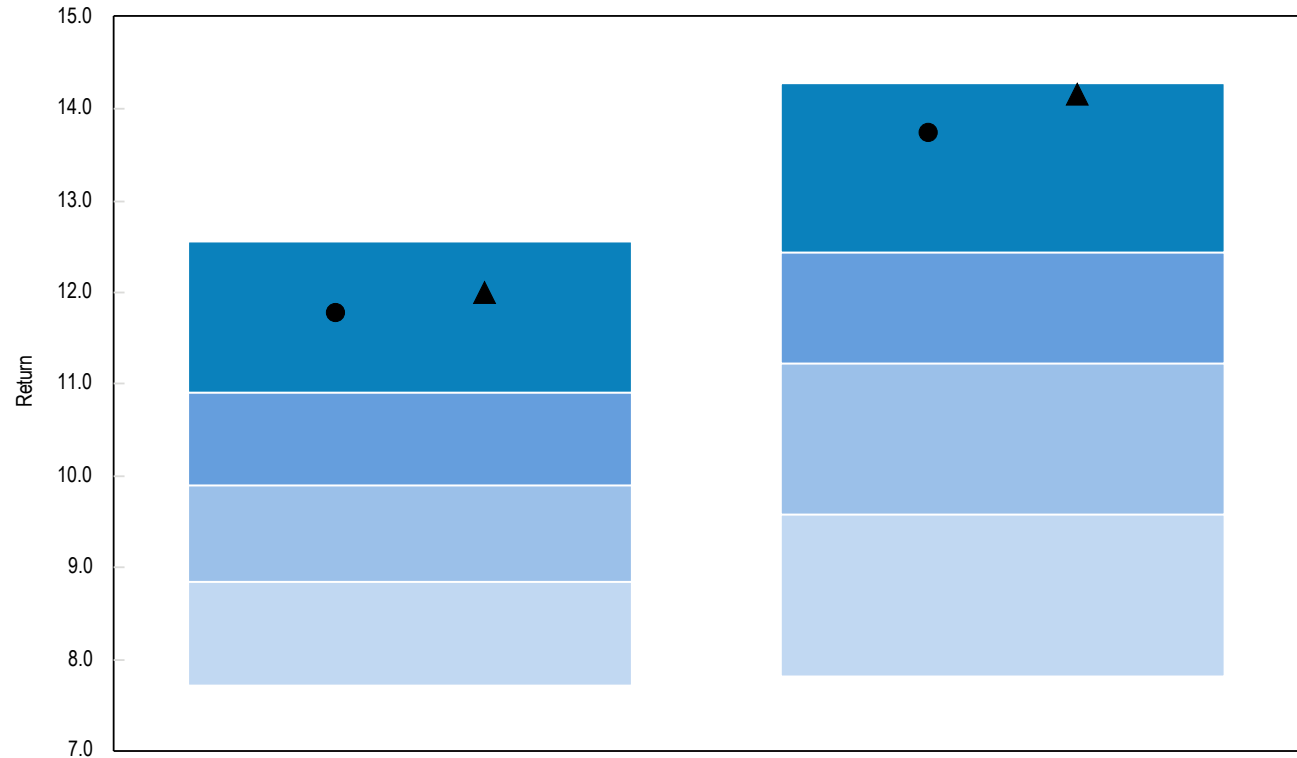
IPOPIF Investment Portfolio

Illinois Police Officers' Pension Investment Fund

Peer Universe Comparison: Consecutive Periods (Net of Fees)

Period Ending: September 30, 2024

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

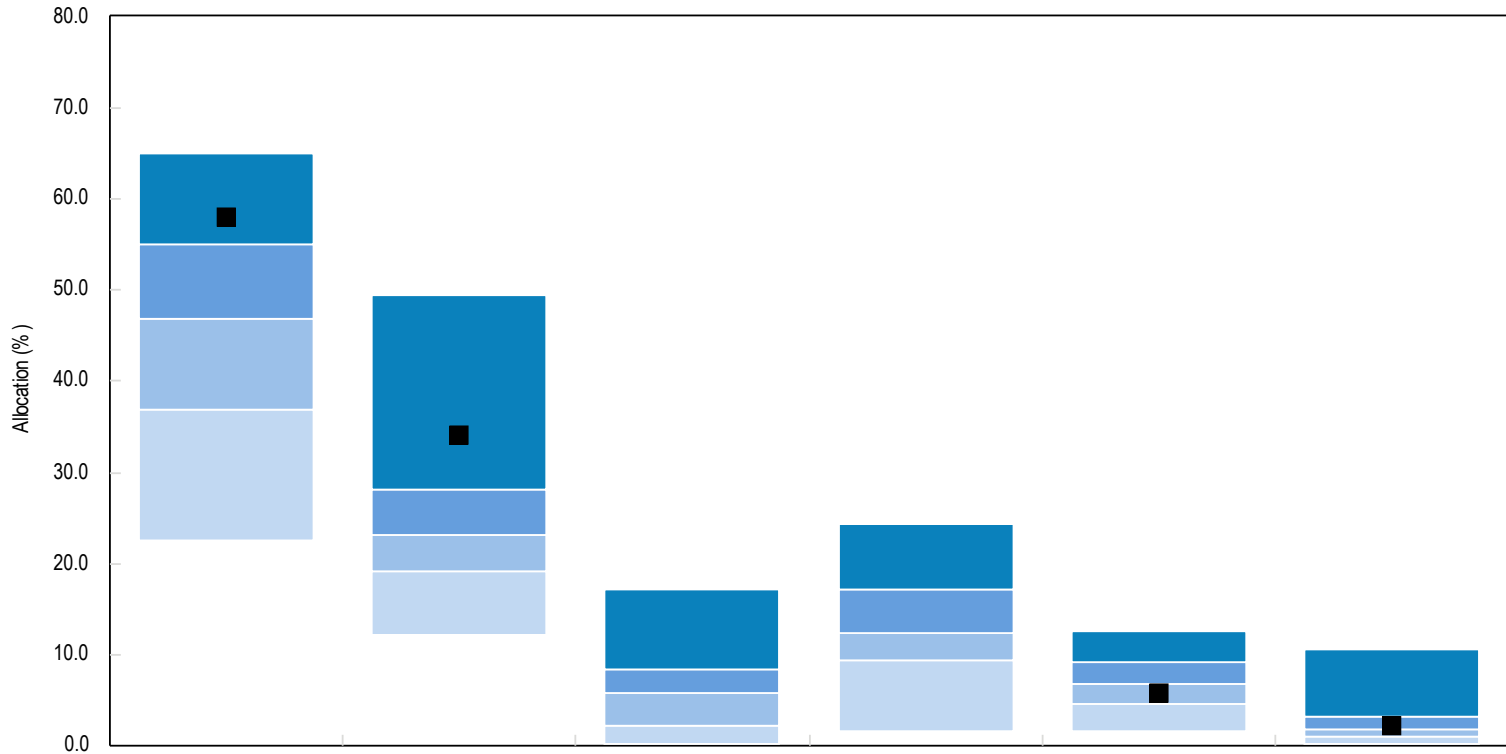


	YTD	2023
● IPOPIF Investment Portfolio	11.8 (17)	13.7 (11)
▲ Policy Index	12.0 (12)	14.2 (7)
5th Percentile	12.6	14.3
1st Quartile	10.9	12.4
Median	9.9	11.2
3rd Quartile	8.8	9.6
95th Percentile	7.7	7.8
Population	105	181

IPOPIF Investment Portfolio  
Peer Universe Comparison: Asset Allocation

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

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



	Total Equity 58.1 (15)	Total Fixed Income 34.1 (12)	Hedge Funds -	Private Equity -	Total Real Estate 5.8 (65)	Cash & Equivalents 2.1 (42)
■ IPOPIF Investment Portfolio						
5th Percentile	65.1	49.5	17.1	24.4	12.6	10.5
1st Quartile	55.0	28.2	8.4	17.2	9.2	3.2
Median	46.8	23.2	5.8	12.4	6.8	1.9
3rd Quartile	36.9	19.1	2.2	9.4	4.5	0.9
95th Percentile	22.6	12.2	0.1	1.6	1.6	0.2
Population	148	155	50	96	132	131

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



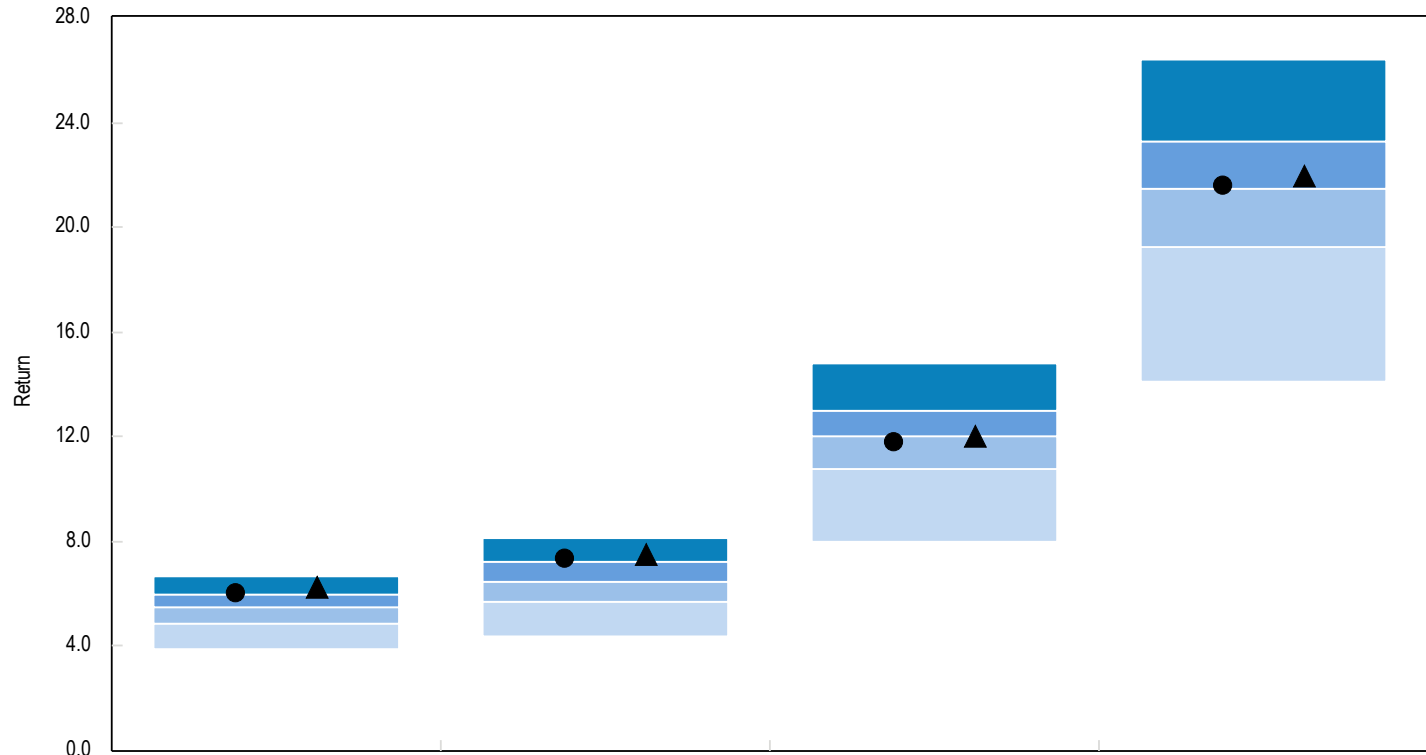
IPOPIF Investment Portfolio

Illinois Police Officers' Pension Investment Fund

Peer Universe Comparison: Cumulative Performance (Net of Fees)

Period Ending: September 30, 2024

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



	Quarter	2 Quarters	3 Quarters	1 Year
● IPOPIF Investment Portfolio	6.1 (21)	7.4 (20)	11.8 (55)	21.6 (48)
▲ Policy Index	6.3 (13)	7.5 (18)	12.0 (51)	22.0 (43)
5th Percentile	6.7	8.1	14.8	26.4
1st Quartile	5.9	7.2	13.0	23.3
Median	5.5	6.5	12.0	21.5
3rd Quartile	4.9	5.7	10.8	19.2
95th Percentile	3.9	4.4	8.0	14.1
Population	633	623	623	618

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

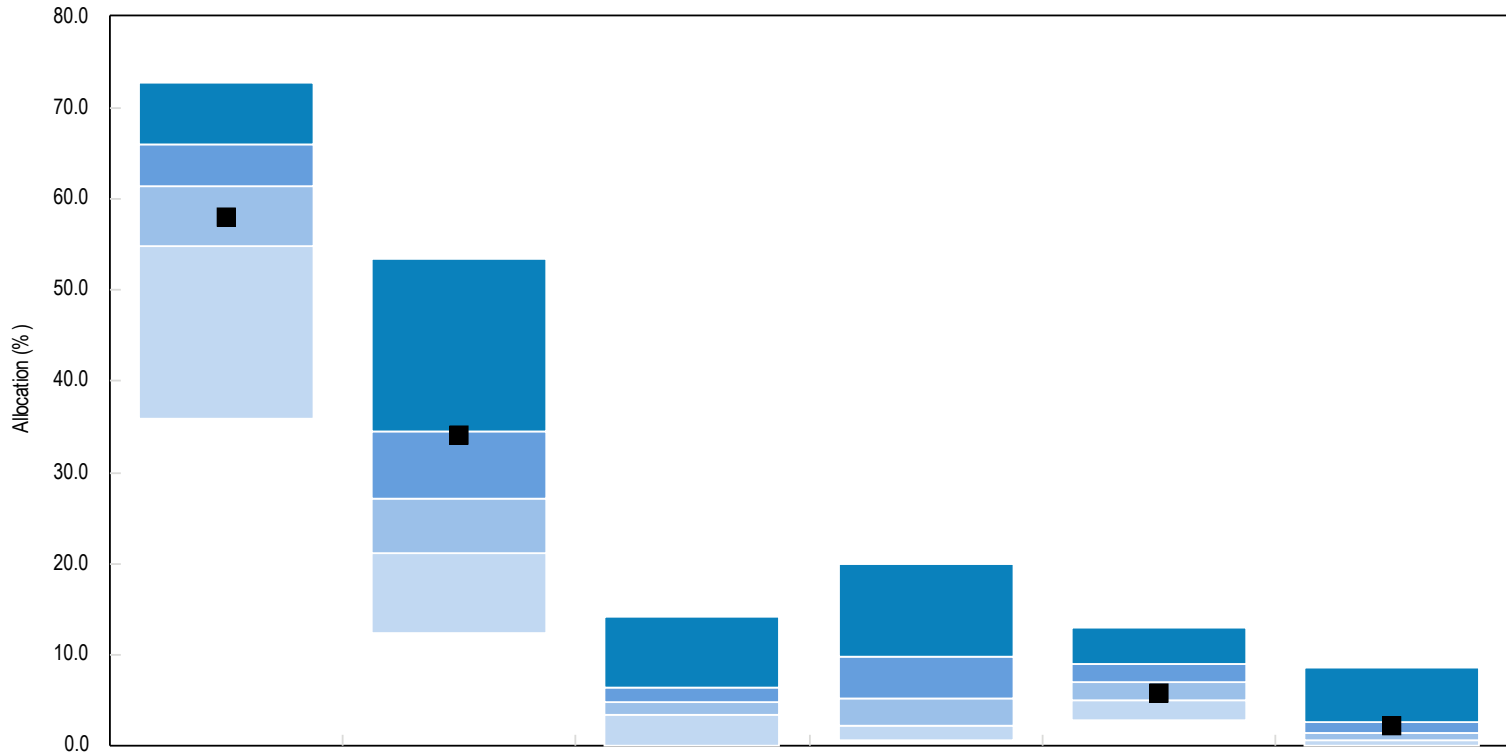




IPOPIF Investment Portfolio  
Peer Universe Comparison: Asset Allocation

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

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



	Total Equity	Total Fixed Income	Hedge Funds	Private Equity	Total Real Estate	Cash & Equivalents
■ IPOPIF Investment Portfolio	58.1 (65)	34.1 (26)	-	-	5.8 (64)	2.1 (33)
5th Percentile	72.8	53.4	14.1	20.0	12.9	8.5
1st Quartile	66.1	34.4	6.3	9.8	8.9	2.5
Median	61.4	27.1	4.8	5.1	7.0	1.3
3rd Quartile	54.8	21.1	3.4	2.2	5.0	0.7
95th Percentile	35.9	12.5	0.0	0.6	2.9	0.1
Population	631	653	74	179	434	596

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: September 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: September 30, 2024

Policy Index Composition					
As of 9/1/2024	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	1.5%	2.6%			
MSCI Emerging Markets ex China	4.5%	7.8%			
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 7/1/2024	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	3%	5.2%			
MSCI Emerging Markets ex China	3%	5.2%			
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 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 8/1/2024	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	2%	3.4%			
MSCI Emerging Markets ex China	4%	6.9%			
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 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%

Total Fund  
Data Sources and Methodology Page

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

Policy Index Composition						Policy Index Composition					
As of 3/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 5/1/2023	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%				Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%				Russell 2000	5%	8.6%			
MSCI World ex U.S.	18%	31.0%				MSCI World ex U.S.	18%	31.0%			
MSCI World ex U.S. Small Cap	5%	8.6%				MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	7%	12.1%				MSCI Emerging Markets	7%	12.1%			
Bloomberg US Corporate High Yield Index	8.5%		53.1%			Bloomberg US Corporate High Yield Index	10%		62.5%		
JPM EMBI Global Diversified Index	6%		37.5%			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%	
NFI-ODCE Equal-Weighted Index	2%			33.3%		Dow Jones US Select REIT Index	4%			66.7%	
Dow Jones US Select REIT Index	4%			66.7%		Bloomberg US Aggregate Index	3%				15.0%
Bloomberg US Aggregate Index	3%				15.0%	Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%
Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%	Bloomberg US TIPS 0-5 Year	3%				15.0%
Bloomberg US TIPS 0-5 Year	3%				15.0%	90 Day US Treasury Bill Index	1%				5.0%
90 Day US Treasury Bill Index	1%				5.0%						
As of 1/1/2023	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 3/31/2022	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	18%	36.0%				Russell 3000	23%	46.0%			
Russell 2000	5%	10.0%				MSCI ACWI ex USA IMI	20%	40.0%			
MSCI World ex U.S.	15%	30.0%				MSCI Emerging Markets IMI	7%	14.0%			
MSCI World ex U.S. Small Cap	5%	10.0%				Bloomberg US Corporate High Yield Index	10%		62.5%		
MSCI Emerging Markets	7%	14.0%				50% JPM EMBI GD/50% JPM GBI EM GD	6%		37.5%		
Bloomberg US Corporate High Yield Index	10%		62.5%			NCREIF Property Index	2%			66.7%	
JPM EMBI Global Diversified Index	6%		37.5%			Dow Jones US Select REIT Index	4%			33.3%	
NFI-ODCE Equal-Weighted Index	2%			33.3%		Bloomberg US Aggregate Index	7%				25.0%
Dow Jones US Select REIT Index	4%			66.7%		Bloomberg 1-3 Year Gov/Credit Index	15%				53.6%
Bloomberg US Aggregate Index	7%				25.0%	Bloomberg US TIPS 0-5 Year	3%				10.7%
Bloomberg 1-3 Year Gov/Credit Index	15%				53.6%	90 Day US Treasury Bill Index	3%				10.7%
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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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

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



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

## **Investment Update** As of December 5, 2024

# Performance Update

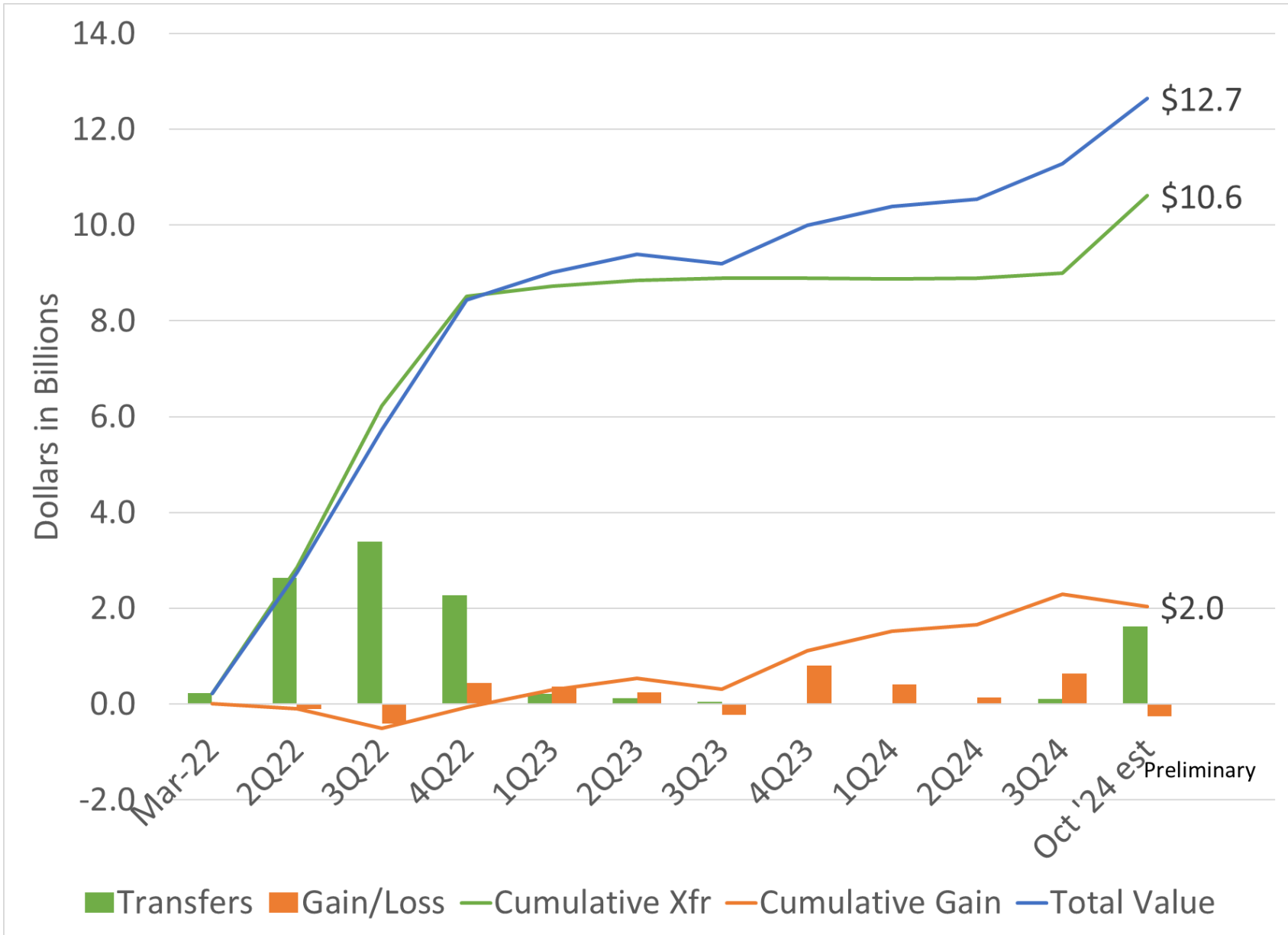
	July - Sep 2024	Oct. 2024	FY25 July – Oct.	2024 1/24 – 11/24	Since Incept. 4/22
IPOPIF Pool	+6.1%	-2.0%	+3.9%	+9.5%	5.0%
Policy Benchmark	+6.3%	-2.2%	+4.0%	+9.6%	5.0%
Broad Benchmark	+6.9%	-2.6%	+4.1%	+10.5%	4.8%
Actuarial Assumption (fiscal year)				+6.8%	

- Returns for periods longer than one year are annualized.
- 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.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year.

Preliminary data indicates that the Fund was up approximately 2.3% in November.



# IPOPIF Growth



# FY 25 Performance Commentary

- The total fund was up 6.1% for the three months ending 9/30/24, driven by continued economic strength and declining interest rates. Equity participation broadened with US Small Cap and International Stocks taking the lead. REITs were the overall leader for the quarter, returning 15.5%. China stocks spiked from mid-September into early October on news of government support but have subsequently reverted.
- The total fund was down 2.0% in October, driven by rising interest rates, and international weakness.
- Preliminary estimates show the fund up 2.3% in November as US stocks (especially small caps) rallied following the Nov. 5 elections.

# Active Manager Value Add

month =>	2024-09					
	Start	End \$M	GVA	Fees	NVA	Fee % of GVA
Acadian	Jan 2024	289	6,662,340	980,151	5,682,189	14.7%
LSV	Mar 2024	137	185,792	608,419	(422,627)	327.5%
WCM	Mar 2024	140	(8,599,294)	469,712	(9,069,006)	Neg GVA
Ares	Mar 2024	105	412,974	138,111	274,863	33.4%
Aristotle	Mar 2024	218	(300,533)	344,567	(645,100)	Neg GVA
Principal	Jan 2023*	158	5,336,606	2,344,540	2,992,066	43.9%
Total		1,047	3,697,886	4,885,500	(1,187,614)	132.1%

- 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.
- WCM has struggled since funding, but underperformance is consistent with tracking error expectations. Staff is evaluating performance quarterly. Portfolio company earnings are meeting expectations, but macroeconomic forces have driven valuation compression, especially in Japan. Strong excess returns in October and November have turned NVA slightly positive.

# Funding and Rebalancing

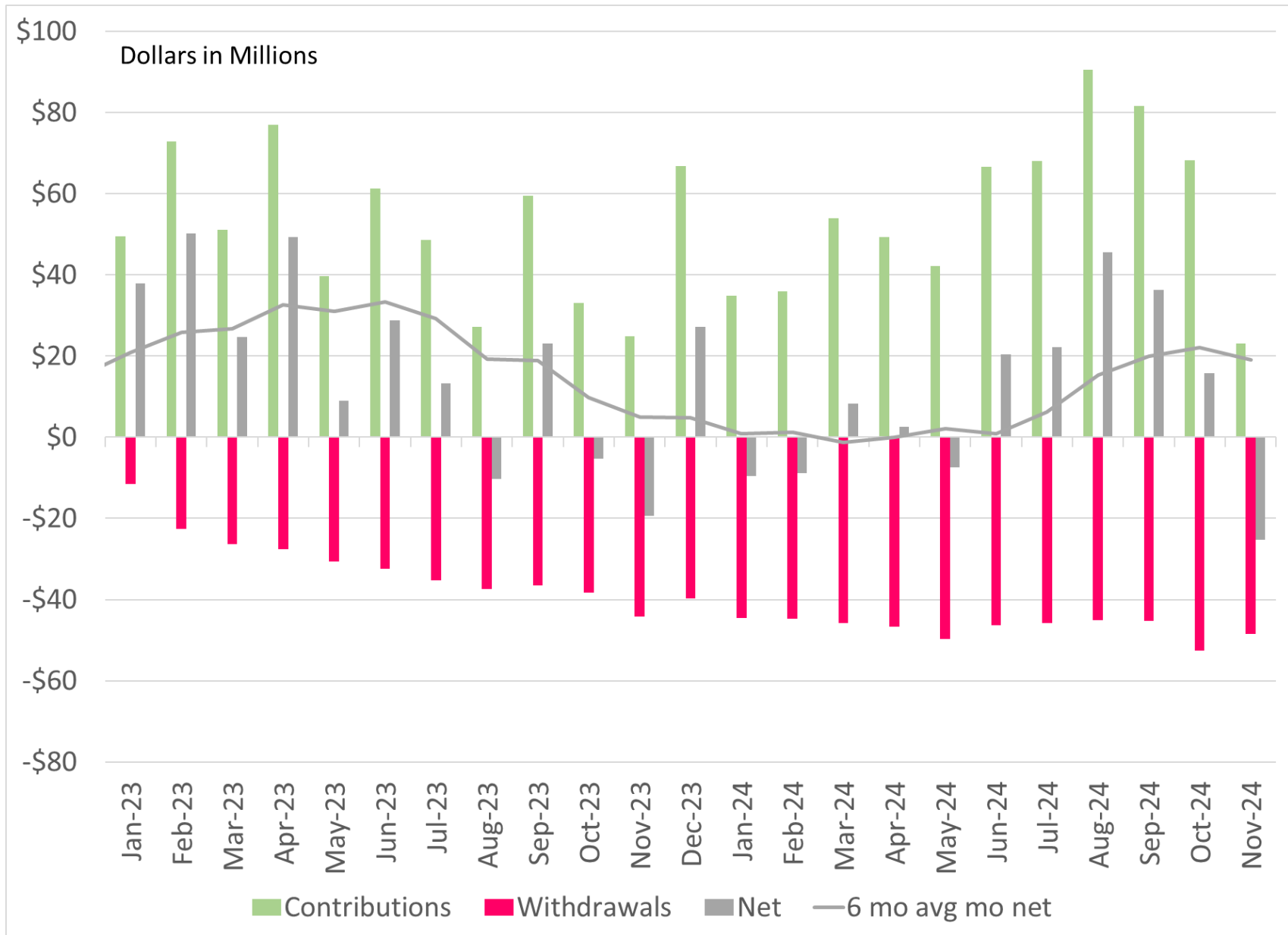
Date	Account	Flow \$ mil	Trading Effect \$
21-Oct	SSGA EMD	-80	+228,711
21-Oct	IPOPIF Cash	-115	
21-Oct	Cap Group EMD	+195	
31-Oct	WCM ISC	+12	
31-Oct	IPOPIF Cash	-12	
1-Nov	LSV ISC	+16	-56,000
1-Nov	IPOPIF Cash	-16	
1-Nov	Ares BL	+12	
1-Nov	Aristotle BL	+16	
1-Nov	IPOPIF Cash	-28	
29-Nov	ARGA EME ex China	+95	-418,000
29-Nov	IPOPIF Cash	-95	
2-Dec	SSGA EME	-82	
3-Dec	IPOPIF Cash	+82	
9-Dec	Wm Blair EME ex China	+95	tbd
9-Dec	IPOPIF Cash	-95	
9-Dec	SSGA EME ex China	-95	tbd
12-Dec	IPOPIF Cash	+95	

- CAP Group EMD funding
- WCM and LSV gradual funding related to the October Transition. Acadian has daily liquidity and was funded in the transition pool.
- Ares and Aristotle gradual funding related to the October Transition
- ARGA funding from full liquidation of SSGA EME index fund (with China) plus \$13M cash.
- William Blair Funding planned for Dec. 9 from SSGA EME ex China index fund.

# Asset Allocation 12/4/24

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
<b>Growth</b>	<b>7,575</b>	<b>58.3%</b>	<b>7,538</b>	<b>58.1%</b>	<b>38</b>	<b>0.3%</b>
RhumbLine US Large	3,117	24.0%	2,986	23.0%	131	1.0%
RhumbLine US Small	678	5.2%	649	5.0%	28	0.2%
SSGA Non-US Developed	2,390	18.4%	2,467	19.0%	(77)	-0.6%
Intl. Small Cap (3 mgrs)	641	4.9%	649	5.0%	(8)	-0.1%
Acadian	324	2.5%	325	2.5%	(1)	0.0%
LSV (1 day lag)	159	1.2%	162	1.25%	(3)	0.0%
WCM (monthly)	158	1.2%	162	1.25%	(4)	0.0%
EME ex China	750	5.8%	786	6.1%	(36)	-0.3%
ARGA	95	0.7%	97	0.75%	(3)	0.0%
William Blair		0.0%	-	0.00%	-	0.0%
SSGA EME ex China	655	5.0%	688	5.3%	(33)	-0.3%
SSGA EME (fully liquidated)	-	0.0%	-		-	0.0%
<b>Income</b>	<b>2,086</b>	<b>16.1%</b>	<b>2,078</b>	<b>16.0%</b>	<b>9</b>	<b>0.1%</b>
SSGA High Yield	923	7.1%	909	7.0%	14	0.1%
EM Debt (2 mgrs)	775	6.0%	779	6.0%	(4)	0.0%
Cap Group EMD	194	1.5%	195	1.5%	(1)	0.0%
SSGA EM Debt	582	4.5%	584	4.5%	(2)	0.0%
Bank Loans (2 mgrs)	388	3.0%	390	3.0%	(2)	0.0%
Ares (monthly)	130	1.0%	130	1.0%	(0)	0.0%
Aristotle (monthly)	258	2.0%	260	2.0%	(1)	0.0%
<b>Real Assets</b>	<b>737</b>	<b>5.7%</b>	<b>779</b>	<b>6.0%</b>	<b>(42)</b>	<b>-0.3%</b>
SSGA REITS	525	4.0%	519	4.0%	5	0.0%
PRINCIPAL USPA	212	1.6%	260	2.0%	(47)	-0.4%
<b>Risk Mitigation</b>	<b>2,586</b>	<b>19.9%</b>	<b>2,597</b>	<b>20.0%</b>	<b>(11)</b>	<b>-0.1%</b>
Cash Accounts	134	1.0%	130	1.0%	4	0.0%
SSGA ST GOV-CREDIT	1,290	9.9%	1,298	10.0%	(8)	-0.1%
SSGA TIPS	389	3.0%	390	3.0%	(0)	0.0%
SSGA US TREASURY	385	3.0%	390	3.0%	(4)	0.0%
SSGA CORE BONDS	387	3.0%	390	3.0%	(3)	0.0%
Transition account	0.375	0.0%	-	0.0%	0	0.0%
<b>Total Investment Pool</b>	<b>12,985</b>	<b>100.0%</b>	<b>12,991</b>	<b>100.1%</b>	<b>(6)</b>	<b>0.0%</b>

# Monthly Participant Fund Cash Flow



# Looking forward

- December 2024
  - Private credit finalist interviews and selection
  - Select Private Market Consultant (PMC) finalists
  - Custodian review
- January 2025
  - IPS and SAA review
  - PMC final interviews & selection
- 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
  - Passive manager reviews
- Mid-Late 2025
  - Private equity search
  - Real Estate Search
  - Infrastructure Search
- TBD
  - US Small cap
  - High Yield

For discussion and planning purposes. Subject to revision.

# Investment Operations Issues

- Staff is working on an update to the Cash Management Policy to delete provisions relating to participant fund cash forecasting. Based on cash flow experience and portfolio liquidity, the forecasting process would be of minimal value.
- Staff is evaluating custody structure and reporting options to optimize the incorporation of investments that report on a lagged basis vs. daily.





## **MEMORANDUM**

DATE: November 18, 2024  
TO: IPOPIF Board of Trustees  
FROM: Kent Custer, Chief Investment Officer  
SUBJECT: Renewal of eVestment database subscription

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### **Recommendation**

That the Board of Trustees approve a new three-year subscription to the eVestment database.

### **Background**

- IPOPIF Investment Staff use the eVestment database for evaluation and monitoring of investment managers.
- The Procurement of Investment Services Policy defines the “IPOPIF database” and incorporates utilization of the database in the Competitive Selection Procedures.
- The Board initially approved the subscription to the eVestment database in December 2021.
- The original subscription was priced at \$47,100 and discounted to \$35,000 for the first year, with two optional extensions with 3% increases based on the \$35,000 starting price.

### **Pricing**

eVestment proposed a new contract starting at \$39,400 for 2025, reflecting a 6% price increase, with options for two extensions with 6% price increases. This proposal was negotiated down to \$38,245, reflecting a 3% price increase, with options for two extensions with 3% price increases. Pricing details and other options are attached.

### **Sole Source Procurement**

Staff recommends a sole-source procurement.

- There is only one other competitive product, which was evaluated in 2021.
- Switching costs would be material due to extensive training and development needed to establish functionality.

**eVestment Terms**

Current Contract Term			
Year 1	2021	\$ 35,000.00	
Year 2	2023	\$ 36,050.00	3%
Year 3	2024	\$ 37,131.50	3%

Renew Contract Term Options									
		Option 1 - 1 Year		Option 2 - 2 Year		Option 3 - 3 Year		Option 3 - 5 Year	
Year 1	2025	\$ 40,621.86	9%	\$ 39,923.79	8%	\$ 39,400.23	6%	\$ 38,876.68	5%
Year 2	2026			\$ 42,926.06	8%	\$ 41,807.59	6%	\$ 40,703.88	5%
Year 3	2027					\$ 44,362.03	6%	\$ 42,616.97	5%
Year 4	2028							\$ 44,619.96	5%
Year 5	2029							\$ 46,717.10	5%
	AVG			\$ 41,424.93		\$ 41,856.62		\$ 42,706.92	

Revised Renew Contract Term					
		Option 3 - 3 Year		Option 3 - 5 Year	
Year 1	2025	\$ 38,245.44	3%	\$ 38,876.68	5%
Year 2	2026	\$ 39,392.81	3%	\$ 40,703.88	5%
Year 3	2027	\$ 40,574.59	3%	\$ 42,616.97	5%
	2028			\$ 44,619.96	5%
	2029			\$ 46,717.10	5%
	AVG	\$ 39,404.28		\$ 42,706.92	

## **Private Market Consultant Search Update December 13, 2024**

The Board of Trustees will the search process and select finalist to be interviewed at the next Board meeting.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

**TO: IPOPIF BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: GENERAL LEGAL COUNSEL REPORT**  
**DATE: DECEMBER 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: DECEMBER 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: IPOP BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: CLOSED SESSION ITEM**  
**DATE: DECEMBER 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.