



Illinois Police Officers' Pension Investment Fund

Investment Update

As of October 11, 2024

Performance Update

	August 2024	FY25 To date	YTD 1/24 – 8/24	Since Incept. 4/22*
IPOPIF Pool	+2.0%	+4.5%	+10.1%	5.6%
Policy Benchmark	+2.0%	+4.6%	+10.3%	5.7%
Broad Benchmark	+2.3%	+4.7%	+11.1%	5.3%
Actuarial Assumption (fiscal year)			+6.8%	

- IPOPIF Performance is net of fees.
- Policy Benchmark – Weighted average of asset class benchmarks; gauges success of implementation (currently less stock exposure than the broad benchmark).
- Broad Benchmark – 70/30 global stocks/bonds; gauges success of asset allocation.
- Returns for periods longer than one year are annualized.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year.

Preliminary data indicates that the Fund was up approximately 1.6% in September.

FY 25 Performance Commentary

- The total fund was up 2.4% in July as all asset classes posted positive returns. US small caps (+10.1%) were surprisingly strong and took REITs (+5.9%) along for the ride.
- Early August saw a stock market drawdown of nearly 10% from the July peak, driven by economic concerns and related market technical adjustments. These concerns were short lived and IPOPIF was up 2.0% with REITs (+6.4%) in the driver's seat.
- The September return profile was similar to August with negative returns early in the month that reversed following Federal Reserve action to lower interest rates by 50 bps. The fund gained another 1.6% in September.

Funding and Rebalancing

Date	Account	Flow \$ mil	Trading Cost \$
18-Sep	SSgA EME	-25	0
18-Sep	SSgA EME ex China	+25	0
26-Sep	SSgA EME	-57	0
26-Sep	SSgA EME ex China	+57	0
1-Oct	LSV ISC	+12	0
1-Oct	WCM ISC	+10	0
1-Oct	Ares BL	+12	0
1-Oct	Aristotle BL	+24	0
1-Oct	IPOPIF Cash	-58	0

- Emerging Market Equity (EME) benefited from crossing activity that eliminated trading costs.
- Modest contributions to International Small Cap and Bank Loans are related to the October transition.

Asset Allocation 10/9/24 (1 of 2)

Account	\$M	%		\$M	%		\$M	%
Growth	6,497	58.1%		6,487	58.0%		10	0.1%
RhumbLine US Large	2,579	23.1%		2,572	23.0%		6	0.1%
RhumbLine US Small	560	5.0%		559	5.0%		1	0.0%
SSGA Non-US Developed	2,112	18.9%		2,125	19.0%		(13)	-0.1%
Intl. Small Cap (3 mgrs)	580	5.2%		559	5.0%		21	0.2%
Acadian	284	2.5%		280	2.5%		4	0.0%
LSV (1 day lag)	146	1.3%		140	1.25%		6	0.1%
WCM (monthly)	150	1.3%		140	1.25%		10	0.1%
EM Equity	666	6.0%		671	6.0%		(5)	0.0%
SSGA EM Equity ex China	578	5.2%		671	6.0%		(93)	-0.8%
SSGA EM Equity	88	0.8%		-	0.0%		88	0.8%
Income	1,777	15.9%		1,789	16.0%		(12)	-0.1%
SSGA High Yield	762	6.8%		783	7.0%		(21)	-0.2%
EM Debt (2 mgrs)	658	5.9%		671	6.0%		(14)	-0.1%
Cap Group EMD		0.0%						
SSGA EM Debt	658	5.9%		671	6.0%		(14)	-0.1%
Bank Loans (2 mgrs)	357	3.2%		336	3.0%		22	0.2%
Ares (monthly)	117	1.0%		112	1.0%		5	0.0%
Aristotle (monthly)	241	2.2%		224	2.0%		17	0.2%

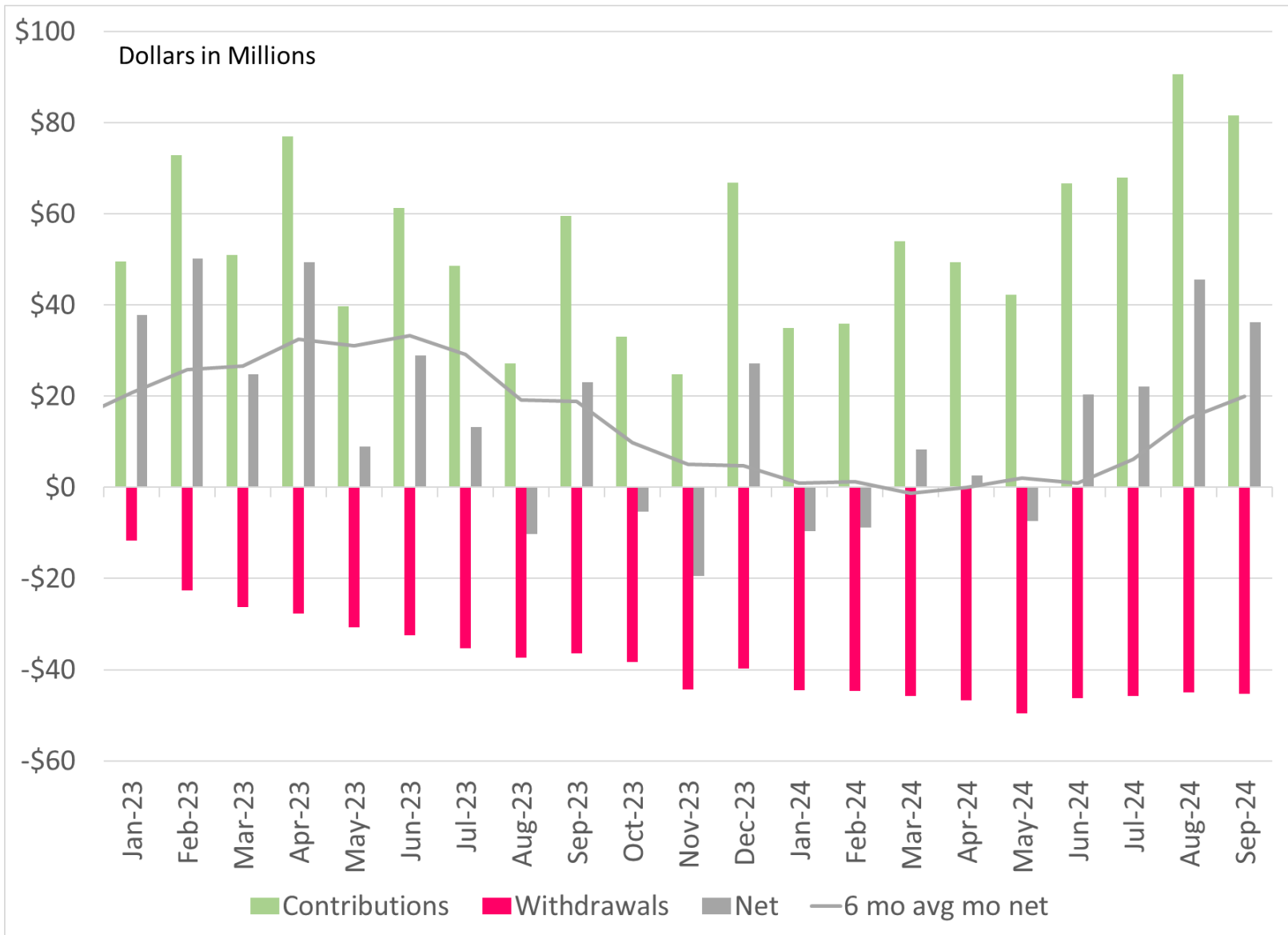
Asset Allocation 10/9/24 (2 of 2)

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Real Assets	632	5.6%	671	6.0%	(39)	-0.4%
SSGA REITS	474	4.2%	447	4.0%	26	0.2%
PRINCIPAL USPA	158	1.4%	224	2.0%	(66)	-0.6%
Risk Mitigation	2,279	20.4%	2,237	20.0%	42	0.4%
Cash Accounts	205	1.8%	112	1.0%	94	0.8%
SSGA ST GOV-CREDIT	1,075	9.6%	1,118	10.0%	(43)	-0.4%
SSGA TIPS	323	2.9%	336	3.0%	(13)	-0.1%
SSGA US TREASURY	322	2.9%	336	3.0%	(13)	-0.1%
SSGA CORE BONDS	353	3.2%	336	3.0%	18	0.2%
Transition account	0.103	0.0%	-	0.0%	0	0.0%
Total Investment Pool	11,184	100.0%	11,184	100.0%	-	0.0%
Transition Pool	1,018					
Participant Fund Accounts	375					
Grand Total	12,578					

Projected Asset Allocation – Post Transition

Account	Flow-4 (11/1)		Pro-Forma 4		Target		PF-4 Variance	
	\$M	%	\$M	%	\$M	%	\$M	%
Growth	22	0.3%	7,379	57.9%	7,386	58.0%	(7)	-0.1%
RhumbLine US Large		0.0%	2,935	23.1%	2,929	23.0%	6	0.1%
RhumbLine US Small		0.0%	638	5.0%	637	5.0%	1	0.0%
SSGA Non-US Developed		0.0%	2,406	18.9%	2,420	19.0%	(13)	-0.1%
Intl. Small Cap (3 mgrs)	22	3.6%	641	5.0%	637	5.0%	4	0.0%
Acadian		0.0%	322	2.5%	318	2.5%	4	0.0%
LSV (1 day lag)	13	9.1%	159	1.3%	159	1.3%	-	0.0%
WCM (monthly)	9	6.0%	159	1.3%	159	1.3%	-	0.0%
EM Equity	-	0.0%	759	6.0%	764	6.0%	(5)	0.0%
SSGA EM Equity ex China	88	13.1%	759	6.0%	764	6.0%		
SSGA EM Equity	(88)	-100.0%	-	0.0%	-	0.0%		
Income	25	1.2%	2,054	16.1%	2,037	16.0%	17	0.1%
SSGA High Yield		0.0%	902	7.1%	891	7.0%	10	0.1%
EM Debt (2 mgrs)	-	0.0%	771	6.1%	764	6.0%	6	0.1%
Cap Group EMD		0.0%	195	1.5%	191	1.5%	4	0.0%
SSGA EM Debt		0.0%	576	4.5%	573	4.5%	2	0.0%
Bank Loans (2 mgrs)	25	6.9%	382	3.0%	382	3.0%	-	0.0%
Ares (monthly)	11	9.1%	127	1.0%	127	1.0%	-	0.0%
Aristotle (monthly)	14	5.8%	255	2.0%	255	2.0%	-	0.0%
Real Assets	-	0.0%	723	5.7%	764	6.0%	(41)	-0.3%
SSGA REITS		0.0%	512	4.0%	509	4.0%	3	0.0%
PRINCIPAL USPA		0.0%	211	1.7%	255	2.0%	(44)	-0.3%
Risk Mitigation	(47)	-1.8%	2,578	20.2%	2,547	20.0%	31	0.2%
Cash Accounts	(47)	-24.1%	148	1.2%	127	1.0%	21	0.2%
SSGA ST GOV-CREDIT		0.0%	1,277	10.0%	1,273	10.0%	3	0.0%
SSGA TIPS		0.0%	385	3.0%	382	3.0%	3	0.0%
SSGA US TREASURY		0.0%	384	3.0%	382	3.0%	2	0.0%
SSGA CORE BONDS		0.0%	384	3.0%	382	3.0%	2	0.0%
Transition account			0	0.0%			0	0.0%
Total Investment Pool	-		12,734	100.0%	12,734	100.0%	(0)	100.0%

Monthly Participant Fund Cash Flow



Searches and Funding

- Funding of the Capital Group Emerging Market Debt (EMD) mandate of ~\$195 million is planned for late October.
- The Emerging Market Equity (EME) ex China manager search was initiated on 6/14/24 and is nearing completion, on schedule. Finalist Board interviews and selection are planned for this Board meeting (10/18/24).
- The Private Credit Manager search was initiated on 7/19/24 and is proceeding on plan. Final proposals (Phase 3) are due by 10/11/24. Finalist interviews and selection are targeted for the 12/13/24 Board meeting.
- The Private Market Consultant search was initiated on 9/18/24 and is proceeding on plan. Proposals are due by 11/8/24. The Board will select the top-qualified candidates at the 12/13/24 Board meeting to be interviewed for final selection at the January 2025 Board meeting (TBD).

Looking forward

- October 2024
 - EME ex China finalist interviews & selection
 - Private Mkt. Consultant (PMC) search update
- December 2024
 - Private credit finalist interviews and selection
 - Select PMC finalists
 - US Small Cap search request (tentative)
 - Custodian review
- January 2025
 - IPS and SAA review
 - PMC final interviews & selection
 - High Yield Search Request (tentative)
- March 2025
 - IPS and SAA adoption
 - International small cap manager reviews
 - Consultant review
- April 2025
 - Bank loan manager reviews
 - Private market strategic implementation plan
- June 2025
 - US Small cap finalist interviews and selection
 - Passive manager reviews
- Mid-Late 2025
 - Private equity search
 - Real Estate Search
 - Infrastructure Search

For discussion and planning purposes. Subject to revision.

October 1 Transition Status

- 18 Article-3 funds are participating in the transition
- \$1.5 billion total certified transferable assets
- \$1.0 billion received through Oct. 4 and transferred to the transition pool on Oct. 7
- Strongest day-1 and week-1 transfer value vs. prior tranches
- Additional \$375 million received through Oct. 10
- Remaining assets will be transitioned as soon as feasible.