

Investment Update
Friday, October 14, 2022

Transfer Schedule

Tranche #	Transfer Date	Number of Funds		\$ millions	
		Tranche	Total	Tranche	Total
1	March 1, 2022	14	14	220	220
2	April 1, 2022	18	32	443	663
3	May 2, 2022	14	46	354	1,017
4	June 1, 2022	27	73	770	1,787
5	June 24, 2022	45	118	1,268	3,055
6	August 1, 2022	36	154	1,461	4,516
7	September 1, 2022	62	216	1,876	6,392
8	October 3, 2022	54	270	976	7,368
9	November 1, 2022	48	318	865	8,233
DNT	Did Not Transfer	24	342	390	8,623
LIT	litigation plaintiffs	15	357	1,233	9,856

As of 10/12/22

Transfer Status Update

- Delivered reconciliations to 55 Tranche-7 funds on 9/30/22.
 - Six reconciliations were preliminary subject to receipt of remaining assets.
 - Reconciliations for seven T-7 funds delayed pending receipt of assets.
- Tranche-8 (10/3/22) transfer in process
- Tranche-9 asset certification in process
 - 48 funds assigned, 24 on track
- Outstanding prior tranche issues
 - Tranche-2, 4/1/22 – One fund, ~\$16M
 - Tranche-5, 6/24/22 – Three funds, ~\$18M
 - Tranche-6, 8/1/22 – Three funds, ~\$5M

Operations

- Working to shift participant reports to IPOPIF website.
- Cash management rollout continues
 - 312 users from 119 funds
 - \$28.7 million contributed
 - \$503K withdrawn
- Potential December 1 tranche under consideration
 - 24 funds did not transfer (DNT)
 - Additional DNTs expected from Tranche-9 (November)
- Future transfers?
 - Need to establish process for late transferring funds

Performance Summary

Overall¹	March	2Q22	July⁴	August⁴
Overall ¹	0.5%	-9.7%	4.3%	-2.8%
Investment Pool	-	-10.4%	4.7%	-2.7%
Policy Benchmark ²	0.5%	-10.4%	4.3%	-2.3%
Broad Benchmark ³	0.6%	-13.6%	5.7%	-3.6%

1 - Overall includes the Investment Pool plus assets in transition

2 - Policy Benchmark is the weighted average of asset class benchmarks

3 - Broad Benchmark is 70% global stocks and 30% global bonds

4 - July and August are preliminary

Asset Allocation 10/7/22

Account	10/7/22		Target		Variance		Rebal	Pro-Forma 1	
	\$M	%	\$M	%	\$M	%	\$M	\$M	%
Growth	2,568	48.7%	2,638	50.0%	(70)	-1.3%	55	2,623	49.7%
RHUMBLINE US LARGE	926	17.6%	950	18.0%	(23)	-0.4%	20	946	17.9%
RHUMBLINE US SMALL	263	5.0%	264	5.0%	(1)	0.0%		263	5.0%
SSGA NON-US DEVELOPED	778	14.7%	791	15.0%	(13)	-0.3%	10	788	14.9%
SSGA NON-US DEVELOPED SC	250	4.7%	264	5.0%	(14)	-0.3%	10	260	4.9%
SSGA EM EQUITY	351	6.7%	369	7.0%	(18)	-0.3%	15	366	6.9%
Income	856	16.2%	844	16.0%	12	0.2%	-	856	16.2%
SSGA HIGH YIELD	545	10.3%	528	10.0%	17	0.3%		545	10.3%
SSGA EM DEBT	311	5.9%	317	6.0%	(5)	-0.1%		311	5.9%
Inflation Protection	485	9.2%	475	9.0%	10	0.2%	-	485	9.2%
SSGA TIPS	169	3.2%	158	3.0%	11	0.2%		169	3.2%
SSGA REITS	165	3.1%	211	4.0%	(46)	-0.9%		165	3.1%
PRINCIPAL US PROPERTY	150	2.9%	106	2.0%	45	0.9%		150	2.9%
Risk Mitigation	1,367	25.9%	1,319	25.0%	48	0.9%	(55)	1,312	24.9%
IPOPIF CASH	167	3.2%	158	3.0%	9	0.2%	(20)	147	2.8%
SSGA ST GOV-CREDIT	826	15.7%	791	15.0%	35	0.7%	(35)	791	15.0%
SSGA CORE BONDS	373	7.1%	369	7.0%	4	0.1%		373	7.1%
Total Investment Pool	5,275	100.0%	5,275	100.0%	-	0.0%	-	5,275	100.0%
Transition Pool	458								
Participant Fund Accounts	1,265								
Grand Total	6,998								

A rebalancing transaction was initiated on October 11th to reduce the overweight to Cash and Short-Term Bonds.

General Commentary

- Below comments are unchanged from 9/9/22
- Cash flow planning
 - Currently cash flow positive due to transfers of residual cash
 - After transition, expect roughly 1% net outflow annually
 - Will start rolling cash flow forecast next year
- Non-transferrable Assets
 - Accepting contributions of excess cash
 - Verus starting evaluation of insurance contracts
- Project List
 - Active management planning and implementation
 - Migration to long-term asset allocation
 - Develop and implement ESG policy

Transition Consultant
Status Updates

IPOPIF asset transition status update

Objective:

Illinois Police Officers' Investment Fund (IPOPIF) aims to transfer all Article 3 downstate and suburban police pension plans, totaling over \$9 billion in assets, into one statewide investment asset pool.

Below is a summary of the key metrics identified for the overall asset transition.

Tranche	Key accomplishments since 9/9/2022
July 24 th and August 1 st	<ul style="list-style-type: none"> Post-transfer reconciliations delivered to funds who transferred assets after the transfer deadline
September 1 st	<ul style="list-style-type: none"> Post-transfer reconciliations delivered to funds who transferred assets (56/62 funds)
October 3 rd	<ul style="list-style-type: none"> 41 of 54 funds have transferred all or partial assets
November 1 st	<ul style="list-style-type: none"> Delivered CIAL version 1 and LOD to member funds
Fund Admin	<ul style="list-style-type: none"> 307 users across 118 member funds gained access to the cash management platform¹

Key Metric ²	Transferred	November 1 st Tranche	DNT Funds	Litigation Funds	Total remaining funds
Funds	254 ³	47	24	15	86
Ex. A submitted	N/A	35/47	10/24	2/15	47/86
Ex. B submitted	N/A	33/47	2/24	1/15	36/86
Ex. A & asset file submitted	N/A	26/47	0/24	0/15	26/86

Key success factors

- Legacy custodian contact and collection of asset holding files
- Asset holding file completeness validation prior to transfer
- Exhibit A receipt from member funds
- Cash management solution onboarding and training support
- Certified investment asset list process execution
- Post-transfer reconciliation process execution
- Month-end accounting close execution and report delivery

Trends

- Number of funds with partial assets transferred is increasing as tranche sizes grow larger
- Understanding of individual legacy custodian requirements to transfer assets is increasing
- Member funds who transferred on July 24th or earlier and retained 90 days of cash on hand are beginning to request cash withdrawals from the cash management solution
- IPOPIF fund will increase by \$950 Million upon completion of the October 3rd tranche transfer to bring IPOPIF to a total of \$7.30 Billion in assets
- 39 funds (Est \$1.70 Billion) do not have an assigned transfer date

¹Based on data as of 10/4/22

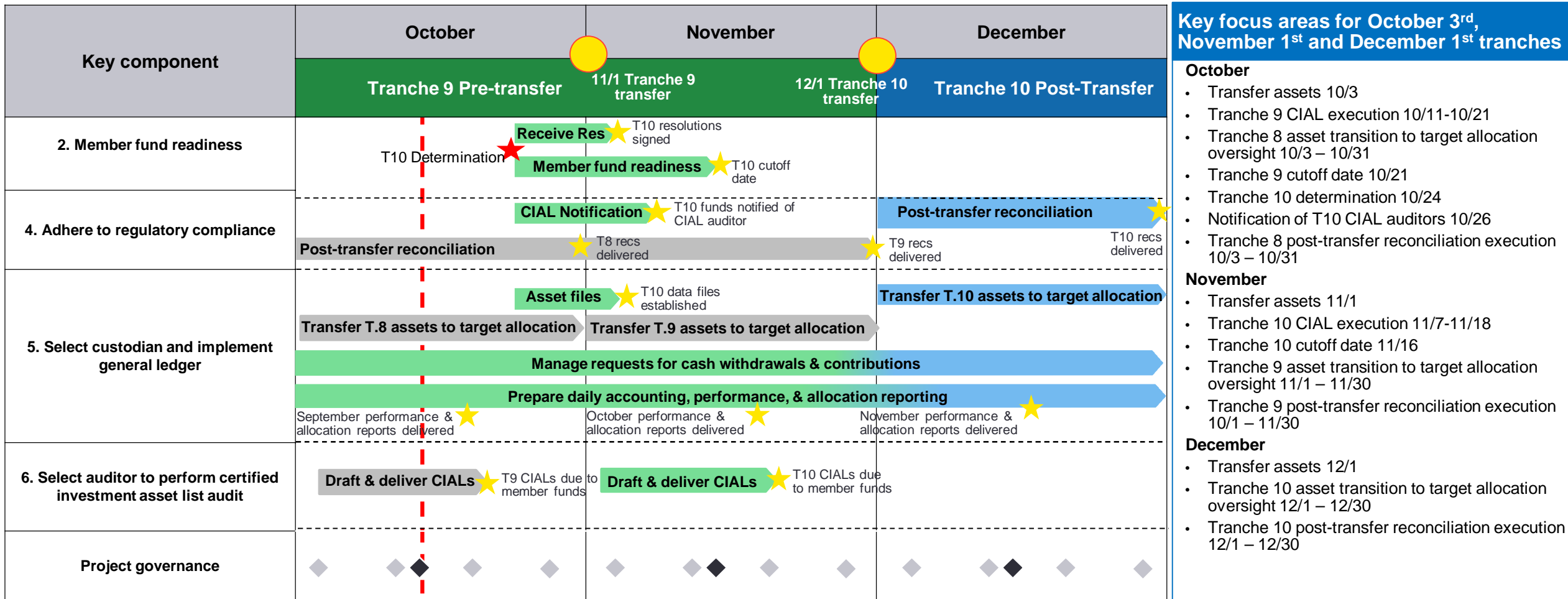
²Metrics based on data as of 10/12/22

³13 funds in the October 3rd tranche have not transferred assets, 3 funds in the September 1st have not transferred assets and 1 fund in the June 24th tranche have not transferred assets totaling 17 outstanding funds

Asset transition key components critical milestones timeline

Oct – Dec

The GANTT chart below covers the key components* and critical milestones for October 3rd tranches with a focus on November 1st and potential December 1st tranche activities. Additionally, key focus areas for IPOPIF staff are identified.



*Key components 1, 3, 7, and 8 have been completed in previous months. **T10 activities listed are pending IPOPIF determination of December 1st tranche