



Illinois Police Officers' Pension Investment Fund

Investment Update

As of January 16, 2025

Performance Update

	July – Oct. 2024	Nov. 2024	FY25 July – Nov.	YTD 1/24 – 11/24	Since Incept. 4/22
IPOPIF Pool	+3.9%	+2.4%	+6.4%	+12.1%	5.7%
Policy Benchmark	+4.0%	+2.4%	+6.4%	+12.1%	5.8%
Broad Benchmark	+4.1%	+2.8%	+7.1%	+13.7%	5.7%
Actuarial Assumption (fiscal year)				+6.8%	

- Returns for periods longer than one year are annualized.
- IPOPIF Performance is net of investment management 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 **down** approximately **2.1%** in December.

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 investment pool was down 2.0% in October, driven by rising interest rates, and international weakness.
- The investment pool was up 2.3% in November as US stocks (especially small caps) rallied following the Nov. 5 elections, overcoming weak returns from international stocks, primarily driven by US dollar strength.
- Preliminary data shows the investment pool down ~2.1% in December. Rising interest rates punished stocks and longer duration bonds. US Small caps and REITS were especially weak.

Funding and Rebalancing

Date	Account	Flow \$ mil	Trading Effect \$
19-Dec	SSGA Non-US Developed	+91	
19-Dec	IPOPIF Cash	-91	
20-Dec	RhumbLine R1000	-91	
23-Dec	IPOPIF Cash	+91	
1-Jan	ARGA EME ex China	+95	-437,000
3-Dec	IPOPIF Cash	-95	
2-Jan	SSGA EME ex China	-95	0
3-Jan	IPOPIF Cash	+95	
13-Jan	Wm Blair EME ex China	+95	-60,433
14-Jan	IPOPIF Cash	-95	
13-Jan	SSGA EME ex China	-66	0
14-Jan	IPOPIF Cash	+66	

- Rebalanced Non-US Developed stocks to target from US Large cap overweight
- Tranche #2 of ARGA funding
- Crossing opportunity avoided exit charge at SSGA
- Tranche #2 of William Blair funding
- Smaller liquidation from SSGA brought EME to target weight. Crossing opportunity avoided exit charge.

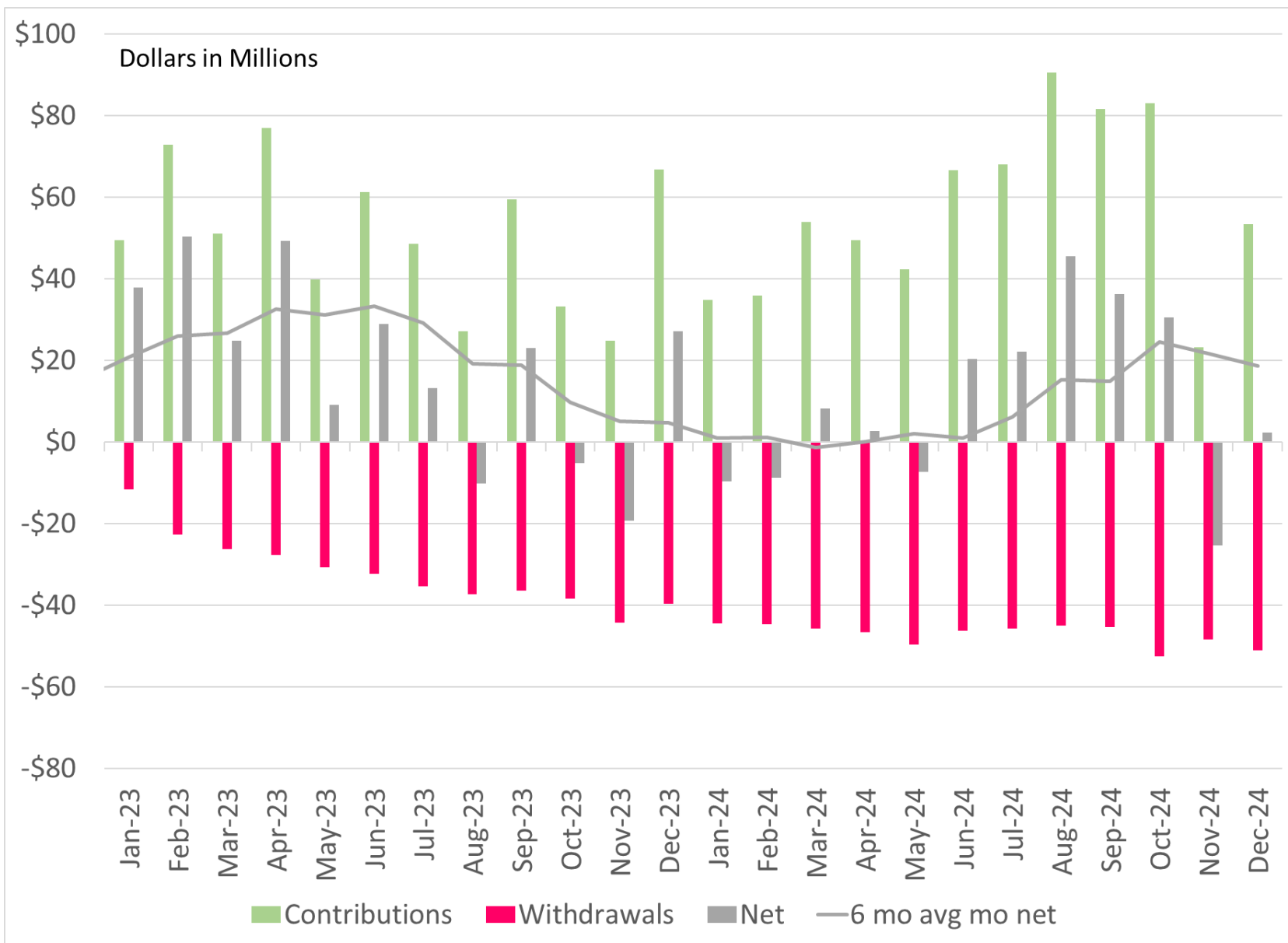
Asset Allocation

1/15/25

- Rebalanced Non-US Developed from US Large cap in December.
- Completed second tranche of EME ex China funding, including rebalance to 6% target.

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Growth	7,357	58.0%	7,354	58.0%	4	0.0%
RhumbLine US Large	2,953	23.3%	2,916	23.0%	37	0.3%
RhumbLine US Small	633	5.0%	634	5.0%	(1)	0.0%
SSGA Non-US Developed	2,396	18.9%	2,409	19.0%	(13)	-0.1%
Intl. Small Cap (3 mgrs)	623	4.9%	634	5.0%	(11)	-0.1%
Acadian	311	2.4%	317	2.5%	(6)	-0.1%
LSV (1 day lag)	152	1.2%	158	1.25%	(6)	-0.1%
WCM (monthly)	160	1.3%	158	1.25%	2	0.0%
EME ex China	752	5.9%	761	6.0%	(9)	-0.1%
ARGA	187	1.5%	190	1.50%	(4)	0.0%
William Blair	187	1.5%	190	1.50%	(3)	0.0%
SSGA EME ex China	379	3.0%	380	3.00%	(2)	0.0%
Income	2,081	16.4%	2,029	16.0%	53	0.4%
SSGA High Yield	922	7.3%	888	7.0%	34	0.3%
EM Debt (2 mgrs)	764	6.0%	761	6.0%	4	0.0%
Cap Group EMD	191	1.5%	190	1.5%	0	0.0%
SSGA EM Debt	574	4.5%	571	4.5%	3	0.0%
Bank Loans (2 mgrs)	395	3.1%	380	3.0%	15	0.1%
Ares (monthly)	132	1.0%	127	1.0%	5	0.0%
Aristotle (monthly)	264	2.1%	254	2.0%	10	0.1%
Real Assets	704	5.5%	761	6.0%	(57)	-0.5%
SSGA REITS	490	3.9%	507	4.0%	(18)	-0.1%
PRINCIPAL USPA	214	1.7%	254	2.0%	(40)	-0.3%
Risk Mitigation	2,537	20.0%	2,536	20.0%	1	0.0%
Cash Accounts	96	0.8%	127	1.0%	(30)	-0.2%
SSGA ST GOV-CREDIT	1,293	10.2%	1,268	10.0%	25	0.2%
SSGA TIPS	390	3.1%	380	3.0%	9	0.1%
SSGA US TREASURY	378	3.0%	380	3.0%	(2)	0.0%
SSGA CORE BONDS	379	3.0%	380	3.0%	(1)	0.0%
Legacy Transition Bonds	0.370	0.0%	-	0.0%	0	0.0%
Total Investment Pool	12,679	100.0%	12,679	100.0%	-	0.0%

Monthly Participant Fund Cash Flow



Investment Updates

- Oaktree private credit platform setup is proceeding on track.
 - Expect to finalize LPA by the end of January.
 - Expect to open legal entities and bank accounts in early February.
 - Expect to start funding the Oaktree Global Credit Fund by the end of February. This is the feeder/buffer for private loans. 3% from high yield, ~\$380 million.
- Participant reporting
 - October reports posted on 12/31/24. November reports posted 1/8/25. December reports expected to post by 1/22/25.
 - Daily valuation access and normal reporting timeline expect to resume for January reporting.

Looking forward

- January 2025
 - IPS and SAA review
 - PMC final interviews & selection
 - March 2025
 - IPS and SAA adoption
 - US small cap education and search request
 - Review, Consultant
 - April 2025
 - Private market strategic implementation plan (or June)
 - June 2025
 - Review, Passive Mgrs
 - 2nd half 2025
 - US small cap and high yield interviews/selection
 - Reviews: bank loans, Principal, Custodian
 - Private Market Searches
- (April continued)
- High Yield education and search request
 - Review, Intl. Small Cap

For discussion and planning purposes. Subject to revision.