



June Newsletter

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND PREPARES FOR BOARD OF TRUSTEES ELECTION Election Set for September 16, 2024, to October 4, 2024

Per the Illinois Pension Code, the Board of Trustees of the Illinois Police Officers' Pension Investment Fund (IPOPIF) administers the election of trustees. It establishes the rules for the conduct of the election. At its June 14, 2024, meeting, the Board adopted a revised [Election Policy](#) and approved the election process for five seats on the Board of Trustees.

The elected trustees serve four-year terms of office with the election on a two-year staggered election cycle. The trustee seats subject to election currently are:

- **Municipal Member Trustee**
 - Trustee Seat #2: Trustee Elizabeth Holleb, Finance Director, Highland Park
 - Trustee Seat #3: Trustee Michael Inman, Mayor, Macomb
- **Active Member Trustee**
 - Trustee Seat #6: Trustee Scott Bowers, Police Officer, Peoria Police Department
- **Beneficiary Member Trustee**
 - Trustee Seat #8: Trustee Mark Poulos, Retired Lieutenant, Rock Island Police Department

Trustee Seat #9 is the seat appointed by the Governor as recommended by the Illinois Municipal League and with the advice and consent of the Senate. It is currently held by Brad Cole, executive director of the Illinois Municipal League and former mayor of Carbondale. The appointment is for a two-year term of office and will run from January 2025 through December 2026. The elected trustees will be seated in January 2025 and serve through December 2028.

Nomination Process

The nominations for election will be conducted using a paper nomination process similar to

the past nomination procedure and will be coordinated by IPOPIF's Executive Director, Richard White. Candidate Nomination Petitions, Statement of Candidacy forms, and other election details are available [here](#). The nomination period for all trustee seats will run six weeks from *June 17, 2024, through July 31, 2024*.

The Election Policy provides the administrative rules for challenges to the nomination petition process and the resolution of these challenges. The timeline for this process, which begins after the close of the nomination period, is detailed in the election policy. The Board will make the final decision about challenges to the nomination process at a special Board meeting scheduled for August 23, 2024.

At the August 23, 2024, meeting, the Board will approve the candidate(s) and the election process for the trustee seats. If only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election is required.

Election Process

The IPOPIF executive director has the responsibility to approve the final ballot and biographical statement for each candidate that will be mailed to each elector. Upon approval of the election process, the election services provider, Survey and Ballot Systems will mail (via U.S. Postal Service) each eligible elector a packet that contains the paper election ballot, the candidate's biographical statements, and a return envelope.

The eligible electors are those in each class for the active members of Article 3 police pension funds, the retirees and beneficiaries of Article 3 police pension funds, and the municipal representative from each of the 357 Article 3 municipalities. The fund is responsible for compiling the database of eligible electors and supplying the database to the election services provider.

The election period will run from *September 16, 2024, to October 4, 2024*.

Tabulation of Ballots

Once cast, the election ballots are mailed directly to the election services provider where they are reviewed for completeness per the rules and accepted for tally. The tally of the election results will be finalized on the election date, October 4, 2024, with the election process used by the election vendor audited by an independent CPA firm. Once approved, the results will be provided to the executive director. IPOPIF will post and distribute the election results on *October 7, 2024*.

Certification of Election Results by Board of Trustees

The Election Policy provides the administrative rule for challenges to the election results and for the resolution of these challenges. The Board of Trustees makes the final decision based on the recommendation of the Conflict Legal Counsel, which if needed, is scheduled for the Board of Trustees meeting on October 18, 2024. The Board will review and certify the election results at the December 13, 2024, meeting.

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

Investment Activity and Updates

Search for Emerging Markets Equity ex China Launched

IPOPIF's Board approved a search for an active investment manager to manage a 3% allocation to emerging markets ex-China (EME ex-China) equities at its meeting on June 14, 2024. As of May 31, 2024, IPOPIF's consolidated fund was valued at \$10.4 billion with a 6% total asset allocation to EME.

Emerging Market Debt Manager Search

The search for an emerging market debt manager is proceeding on plan. Fifteen proposals were received by the May 24th deadline. Staff and consultant, Verus, will evaluate the proposals and interview top candidates. Finalist Board interviews and selection are planned for the September Board meeting. The targeted allocation is 1.5% for the active manager, equating to approximately \$150 million.

Investment Performance

The Fund returned 2.9% in May bringing 2024 returns to 4.4% and IPOPIF fiscal year (July – June) returns to 10.8%. Preliminary June performance is slightly positive.

Deputy CIO Hired

Greg Turk has joined the fund as deputy chief investment officer, reporting to Chief Investment Officer Kent Custer. Greg's initial focus at IPOPIF will be to oversee the planning and implementation of private market investments.

Well-known and respected in the institutional investing profession, Turk served as director of investments for the Teachers' Retirement System for the State of Illinois (ILTRS) where he was responsible for both public and private investment activity. Over his lengthy career at ILTRS, he helped craft the fund's strategy and implementation across private equity, private credit, real assets and diversifying strategies, which had a strong effect on the overall investment success of the program. ILTRS grew to a size of approximately \$65 billion in assets under management during this tenure. Turk most recently was chief investment officer at NG4 Capital, a family office where he was providing structure and investment guidance surrounding the firm's private capital investments. Greg has prior experience at the CFA Institute, Thomson Financial, Bear Stearns, and Investors Management Group.

Final Transfer of Assets Set to be Completed in October

The final transfer of assets from Article 3 local police pension funds is set for October 1, 2024. Milestones for Article 3 funds transitioning assets are as follows:

- June 30, 2024 - Deadline for local police pension boards who have not transferred their assets to adopt Authorized Agent Resolutions (Exhibit A). Upon adoption, funds should email an executed copy of the resolution, including the secretary's certificate, to IPOPIF at info@ipopif.org.
- July – local funds establish data feeds with legacy custodians.
- September – Asset Certification.
- October 1, 2024 – Asset transfers to the IPOPIF consolidate fund.
- October 31, 2024 – IPOPIF completes reconciliations and provides receipts to transferring pension funds.
- November – First monthly reports issued by IPOPIF.

Following receipt of transferred investment assets at IPOPIF custodian, State Street Bank and Trust, the assets will be moved to a “transition pool” where investments will be traded by IPOPIF’s transition manager, State Street Global Markets, to attain the target asset allocation. The pooling of assets promotes trading efficiencies while maintaining equitable valuation for each Article 3 fund. Stocks and bonds will be retained if they fit within the target asset allocation. The average cost for prior transitions was 4.9 basis points (0.049%). Further details about the transfer of assets milestones and processes are available [here](#).

IPOPIF Blotter

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

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

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

As noted in previous newsletters and above, key investment information is posted to the IPOPIF website and is reviewed and discussed at the IPOPIF Board meetings which are open to the public and available via Zoom. Check for meeting dates and times [here](#). The link to the Zoom call is included in the [meeting agendas](#) which also are posted on our website.

Links to Key Resources

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