

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**

**POLICY AND PROCEDURE**

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**POLICY NUMBER:** PP-2020-12

**SUBJECT:** CHIEF INVESTMENT OFFICER JOB DESCRIPTION

**EFFECTIVE DATE:** NOVEMBER 13, 2020

**AMENDED:**

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**A. INTRODUCTION**

1. The Chief Investment Officer (CIO) is appointed by and reports to the Board of Trustees.
2. The CIO is responsible for leading the management and operation of the IPOPIF investment operation.
3. The CIO will work with the IPOPIF Board of Trustees (Board) on investment-related matters and will carry out all his or her duties and responsibilities under their direction.
4. The Chief Investment Officer will work closely with the Executive Director to ensure the investment operations are carried out.

## **B. DUTIES AND RESPONSIBILITIES OF THE CIO**

### **5. Leadership, Strategy and Analysis**

- a. Formulate and recommend to the Board: an investment philosophy describing the fundamental principles underlying the investment program; the investment policies and strategies required to achieve the investment goals; the guidelines for the invested asset classes to manage portfolio risk; the decision-making process to ensure disciplined outcomes and the independent measurement of performance.
- b. Responsible for the strategic direction of the investment function, including ongoing assessment of the investment structure, objectives, policy asset allocation, risk parameters, and performance benchmarks consistent with the Illinois Police Officers' Pension Investment Fund's mission, vision, and strategic plan.
- c. Establish, review, recommend and modify strategic asset allocation in collaboration with the Board of Trustees.
- d. Work collaboratively with participating pension plans to ensure that the investment fund maintains adequate liquidity to meet the needs of constituent plans and their beneficiaries.
- e. Lead the IPOPIF investment program and staff to implement Board approved policies, strategies, guidelines, and mandates to achieve investment objectives.
- f. Oversee the overall administration of investment operations to ensure the smooth implementation of strategic and tactical goals of the investment program.

## 6. Investment Management

- a. Recommend to the Board a written statement of Investment Policy.
- b. Develop and implement policies, strategies, portfolio structures and guidelines necessary for the effective implementation of the investment strategies in accordance with the Board's approved policies.
- c. Perform on-going review of investment policies, strategies and portfolio guidelines and make recommendations for any changes, as needed.
- d. Ensure portfolio rebalancing and portfolio transitions in accordance with the Board approved Investment Policy Statement.
- e. Recommend to the Board, for approval, the appointment of the following core service providers as needed to implement the objectives and policies of the plan:
  - i. The general plan consultant and specialty consultants, as required.
  - ii. The custodian.
  - iii. Investment managers, including transition managers.
  - iv. Securities lending managers.
  - v. Proxy-voting advisors.
  - vi. Prime brokers as required.
  - vii. Directed commission brokers.
  - viii. Outside legal counsel for contracting, as required.
  - ix. Structure and reporting specialists as required to create and provide operational or administrative support in implementing the Investment and Governance Policies approved by the Board; and
  - x. Other service providers determined by the Board.
- f. Recommend to the Board the hiring, watch listing and termination of investment managers in coordination with the investment consultants.
- g. Oversee and coordinate the analysis of IPOPIF investment portfolios.
- h. Oversee investment consultants, investment managers, custodian, and other service providers to ensure the successful administration of the investment program.
- i. Identify and analyze trends, which could have significant implications on the investment program and make recommendations to address such issues.

## 7. Monitoring and Reporting

- a. Provide the Board with relevant and timely information of all significant issues to enable them to carry out their fiduciary responsibilities.
- b. Monitor and report to the Board in accordance with policy the investment performance and risk levels of the investment program, the component asset classes and the individual portfolios.
- c. Review the investment performance of the staff, the consultants, investment managers, and custodian.
- d. Monitor compliance with Board approved policies and all applicable laws and regulations.
- e. Monitor the investment program operations to ensure their efficiency and cost-effectiveness and provide the Board with an annual report of total plan investment expenses including management fees and expenses, operating costs, and manager incentive fees
- f. Ensure that all necessary investment manager due diligence is being performed in accordance with Board approved policies.
- g. Provide periodic reporting in accordance with Board policies to the participating police pension funds.

## 8. Administration

- a. Develop and recommend to the Board an annual investment program budget, strategic plan, and any necessary updates.
- b. Negotiate fees, expenses, structures, fee netting, strategic relationship agreements and other contractual terms involving investment managers and other investment-related service providers.
- c. Coordinate with Legal Fiduciary Counsel on investment agreements, contracts, and other legal matters.
- d. Authorize payments for investment services consistent with applicable contracts.
- e. Maintain records related to the investment division and assets in an accessible format.

## 9. Governance

- a. Assist the Audit Committee in coordinating the annual financial audit as related to investment matters.
- b. Provide the Board with investment education and training as necessary to promote sound investment decisions.
- c. Oversee the preparation of investment related agenda items for the Board and its committees.

## 10. Human Resources

- a. Manage and supervise the investment staff.
- b. Assess the resource needs of the investment operation.
- c. Coordinate with the Executive Director to hire, manage and terminate investment staff.
- d. Ensure the training and development of investment staff.

## 11. Emergency Authority

- a. In emergency situations, the Executive Director, in conjunction with the Chief Investment Officer, after making reasonable attempts to contact the Board Chair and Vice Chair, will have the authority to act on matters not expressly stated within other Board Policy provided that:
- b. The action is in the judgement of the Executive Director and Chief Investment Officer necessary to protect the Fund, its employees, the Fund's administrative, financial or investment trust fund assets from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board; and
- c. The emergency action taken, and the reasons why are promptly reported to the Board Chairperson, Vice Chairperson, and the full Board of Trustees.

- d. This policy is not intended to address situations solely related to the investment trust fund and financial markets. In these situations, or conditions of financial market turmoil, the Chief Investment Officer would have the sole emergency authority.

**C. POLICY REVIEW**

12. The Policy is subject to change in the exercise of the Board's judgement.
13. 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
14. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.
15. This policy was adopted by the Board on November 13, 2020.