Illinois Police Officers' Pension Investment Fund

Investment Update
As of 7/22/26

Performance Update

	Jun. '26	CY26 Jan. – June	FY26 July – June	3 years ending Jun. '26	Since Incept. 4/22
IPOPIF Pool	+0.1%	10.7%	+20.1%	+15.0%	+9.7%
Policy Benchmark	+0.1%	9.3%	+18.4%	+14.3%	+9.2%
Broad Benchmark	-0.6%	8.2%	+16.9%	+14.6%	+9.0%

Source: Cerity Preliminary Monthly Reporting https://www.ipopif.org/reports/investment-reports/

- 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 is flat month-to-date through July 22.

FY 26 Performance Commentary

- **3Q25** – Following a strong 2Q, but a muted July, Stocks rallied in August and into September on strong 2Q earnings and a Fed rate cut. The portfolio gained 5.2% for the quarter, led by stocks (+7.1%), especially U.S. Small Caps (+12.3%), playing catch up from prior quarters.
- **4Q25** – 3Q momentum carried into 4Q, driving a 3.1% gain for the quarter. International stocks led the charge. International Developed Market stocks were up 5.2% vs. 2.4% for US Large Cap (Russell 1000). Emerging Market Equity ex China posted a 12.0% return for the quarter, bringing 2025 returns to 40.3%. ARGA gained 52.5% in 2025 vs. the benchmark index at 34.6%.
- **1Q26** – The portfolio gained 5.6% in the first two months of 2026 but gave it back in March (-5.5%) as the Iran war and higher energy prices dampened economic enthusiasm. Emerging market equity was volatile but still lead for the quarter and fiscal year. Rising interest rates are weighing on fixed income returns.
- **2Q26** – Stocks came roaring back in 2Q as the markets digested geopolitical events and shifted from defense to offense. The portfolio gained 11.0% in the final quarter of FY26, pushing the FY26 return to 20.1%. All asset classes posted positive returns for the quarter. EME ex China (+40.7%) led the pack followed by US Small Cap (+25.9%).

Asset Allocation – 1

	Current			Target			Variance	
Account	**$M**	**%**		**$M**	**%**		**$M**	**%**
Growth	**9,812**	**59.9%**		**9,498**	**58.0%**		**315**	**1.9%**
RhumbLine US Large	3,716	22.7%		3,766	23.0%		(50)	-0.3%
US Small Cap (3 mgrs)	906	5.5%		819	5.0%		88	0.5%
RhumbLine US Small	338	2.1%		328	2.0%		10	0.1%
Hood River	281	1.7%		246	1.5%		36	0.2%
Reinhart	287	1.8%		246	1.5%		42	0.3%
SSGA Non-US Developed	3,061	18.7%		3,111	19.0%		(50)	-0.3%
Intl. Small Cap (3 mgrs)	854	5.2%		819	5.0%		36	0.2%
Acadian	421	2.6%		409	2.5%		12	0.1%
LSV (1 day lag)	219	1.3%		205	1.25%		15	0.1%
WCM (monthly)	214	1.3%		205	1.25%		9	0.1%
EME ex China	1,275	7.8%		983	6.0%		292	1.8%
ARGA (monthly)	689	4.2%		491	3.00%		198	1.2%
William Blair	586	3.6%		491	3.00%		95	0.6%
Lexington Priv. Eq. (Qtrly)								
Real Return	**950**	**5.8%**		**983**	**6.0%**		**(32)**	**-0.2%**
SSGA REITS	721	4.4%		655	4.0%		66	0.4%
PRINCIPAL USPA	229	1.4%		328	2.0%		(99)	-0.6%

Asset Allocation - 2

	Current			Target			Variance	
Account	**$M**	**%**		**$M**	**%**		**$M**	**%**
Income	**2,465**	**15.1%**		**2,620**	**16.0%**		**(155)**	**-0.9%**
High Yield (2 mgrs)	630	3.8%		655	4.0%		(25)	-0.2%
SSGA High Yield	321	2.0%		328	2.0%		(7)	0.0%
MetLife	309	1.9%		328	2.0%		(18)	-0.1%
EM Debt (2 mgrs)	955	5.8%		983	6.0%		(27)	-0.2%
Cap Group EMD	262	1.6%		246	1.5%		17	0.1%
SSGA EM Debt	693	4.2%		737	4.5%		(44)	-0.3%
Bank Loans (2 mgrs)	463	2.8%		491	3.0%		(29)	-0.2%
Ares (monthly)	153	0.9%		164	1.0%		(11)	-0.1%
Aristotle (monthly)	309	1.9%		328	2.0%		(18)	-0.1%
Oaktree Priv. Cred. (Qrtly)	417	2.5%		491	3.00%		(75)	-0.5%
Risk Mitigation	**3,148**	**19.2%**		**3,275**	**20.0%**		**(127)**	**-0.8%**
Cash Accounts	145	0.9%		164	1.0%		(19)	-0.1%
SSGA ST GOV-CREDIT	1,615	9.9%		1,638	10.0%		(23)	-0.1%
SSGA TIPS	489	3.0%		491	3.0%		(3)	0.0%
SSGA US TREASURY	444	2.7%		491	3.0%		(47)	-0.3%
SSGA CORE BONDS	454	2.8%		491	3.0%		(37)	-0.2%
Legacy Transition Bonds	0.874	0.0%		-	0.0%		1	0.0%
Total Investment Pool	**16,375**	**100.0%**		**16,375**	**100.0%**			

Funding and Rebalancing

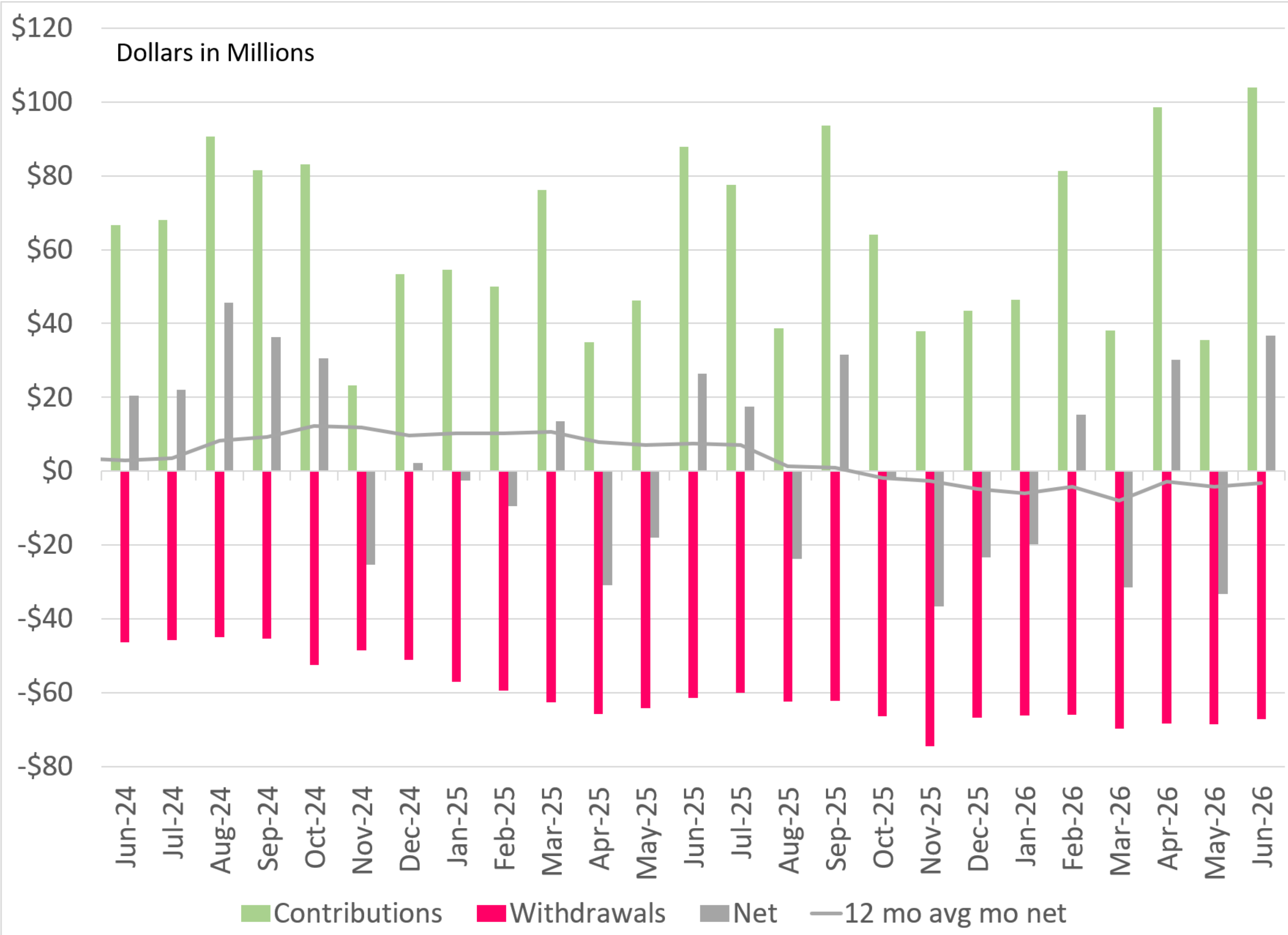
Trade Date	Account	Flow $ mil	Trading Costs $*
1-Jun	ARGA	-20	-54,000
22-Jun	IPOPIF Cash	+20	
10-Jun	Wm Blair	-20	0
12-Jun	IPOPIF Cash	+20	
1-Jul	ARGA	-20	-52,000
22-Jul	IPOPIF Cash	+20	
8-Jul	Wm Blair	-20	0
10-Jul	IPOPIF Cash	+20	
13-Jul	SSIM ST G/C	+125	-24,130
14-Jul	IPOPIF Cash	-125	
13-Jul	SSIM TIPS	+40	
15-Jul	IPOPIF Cash	-40	

Trimming ARGA and William Blair overweights gradually to minimize cost and impact.

Added to SSIM ST G/C and TIPS for rebalancing.

*Trading costs include commissions, charges, and market impact adjustments, which can be positive (i.e., gain).

Monthly Participant Fund Cash Flow



Investment Updates

- Lexington private equity finalized on June 30.
- Private infrastructure selection at hand
  - Board interviews on June 5, followed by on-site due diligence.
- Private Real Estate search on track.
  - Semifinalist interviews with staff/Albourne in early August.
  - Board interviews targeted for Sept. 15 with selection at the Oct. 16 meeting.
- Private Credit search evaluation completed for Board request on July 31.
- Investment Strategic Analysis and Planning moving forward.
- Investment Officer recruiting underway.
- Quarterly NTA update per Transfer of Assets Rule
  - One fund communicated intention to sell annuities.
  - NTA model update planned for October, following posting of FY25 Annual Detailed Financial Data by the IL DOI.

Board Agenda Projection

- July 31, 2026
  - Private Infrastructure Selection
  - Private Credit Search Request
  - Investment Strategic Planning
- September 15, 2026
  - Private Real Estate Interviews
  - Asset allocation
  - Investment Policy
- October 16, 2026
  - Private Real Estate Selection
  - NTA review
- To Be Determined
  - Private Market Strategic Plan update
  - Private Equity Search #2

For discussion and planning purposes. Subject to revision.