

# **ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**

## **JULY-AUGUST NEWSLETTER**

We hope all of you have enjoyed a great summer in the Land of Lincoln or wherever vacation travel may have taken you. We've had a busy summer at the Illinois Police Officers' Pension Investment Fund (IPOPIF) as we continued to transition late transferring participating police pension funds. As of mid-August, we had successfully transitioned the assets of 333 Article 3 local participating police pension funds to our consolidated fund. We now have \$9.4 billion under management. Excess cash can be contributed to IPOPIF at the discretion of local plans. We are working with our investment consultant, Verus, and outside legal counsel to evaluate IPOPIF requirements and to develop a framework for resolving annuities.

The local participating police pension funds that have not transferred assets include the 15 litigants who have challenged the constitutionality of the state law that established IPOPIF and nine other funds.

### **Litigation Update**

About the ongoing litigation, the plaintiffs filed briefs with the Illinois Supreme Court on June 27, 2023. IPOPIF and our co-defendants have until September 13, 2023, to file response briefs. The Illinois Supreme Court will determine the pace of the litigation going forward.

### **Investment News**

With the majority of consolidation transfers completed, IPOPIF is beginning to implement active investment management to further diversify our portfolio and bolster investment returns. Our first step is a request for proposals (RFP) for active investment management of global or international small or small-to-mid capitalization stocks.

As of June 30, 2023, IPOPIF had 5%, or approximately \$450 million of fund assets allocated to international small cap, which is currently invested in a passive commingled trust. The search will include international (ex-USA) and global (including USA) products.

The number of managers and the size of allocations will be determined as part of the search process. Individual allocations are expected to be at least \$100 million. The RFP is available at <https://www.ipopif.org/rfp/>.

IPOPIF will also be implementing searches for active fixed-income managers and is exploring investments in private markets. At our June board meeting, Faraz Shooshani, managing director and senior consultant in private markets at Verus, presented an overview of private market investments that was detailed, informative, and well-received by the board and staff.

## **Investment Reporting**

Monthly investment reports through June 2023 for each of the 333 Article 3 Funds that have transferred are posted on the IPOPIF website and the Northeast Retirement Systems (NRS) reporting portal for authorized personnel. A subcontractor for State Street, IPOPIF's custodial bank, NRS performs the unitization and creates the monthly reports. Additional functionality has recently been added to the NRS portal, allowing daily reporting of value and transactions.

IPOPIF's main investment pool was up 2.7% in the second quarter of 2023 and 8.8% for the fiscal year ended June 30, driven by double-digit returns in U.S. and international stocks in developed markets. Real estate and bonds have weighed on performance. Additional details will be available from the monthly and quarterly investment reports, which are expected to be posted soon.



## **Regional Stakeholders Meeting**

On June 27, IPOPIF held the first in a series of Regional Stakeholders Meetings in Collinsville. More than 35 individuals attended including participants and beneficiaries of Article 3 participating police pension funds as well as legal counsel for Article 3 funds and representatives of the area municipalities that employ police officers.

IPOPIF Vice Chairperson Paul Swanlund and Trustee Daniel Hopkins, a retired member of the Collinsville Police Department, welcomed the attendees as did Collinsville City Councilman Tony Hausmann. Well-received presentations covered operations, investments, and finance and were completed by Executive Director Richard White, Chief Investment Officer Kent Custer, and Finance Director Regina Tuczak, respectively. The presentations were followed by a robust question-and-answer session.

The next Regional Stakeholders Meeting is scheduled for Tuesday, October 17th in Normal from 1-5 p.m. at the Bloomington-Normal Marriott Hotel, 201 Broadway Ave. Email [info@ipopif.org](mailto:info@ipopif.org) for more information.

## **Board of Trustee Election**

Trustee Shawn Curry, a participant representative and Sergeant with the Peoria Police Department who served as the chair of the IPOPIF board from February 2020 to December 2022, resigned from the IPOPIF Board of Trustees effective May 1, 2023. All local participating police pension funds were notified and informed that their current participating members were eligible to run for the vacant board seat.

Nomination petitions for candidates were due to IPOPIF on August 4 and will be certified for election at the Board of Trustees' September 15, 2023, meeting. Ballots will then be sent out with the election taking place in October. The election results will be certified by the board at its December 15, 2023, meeting. The newly elected trustee will be sworn in at this meeting and will serve the remainder of the term of office through December 2024.

## **Staff Spotlight**

As our assets have grown, so has the need to add to our staff. During the summer we hired Sean Zears, communications specialist, Joseph Miller, information technologist, and Samantha Lambert, administrative analyst. We are pleased to have professionals of their level join the team at IPOPIF.

Sean has extensive experience in communications and broadcasting, having spent many years performing play-by-play duties for professional hockey in the Illinois and Kansas areas. Sean has recently served as a director of broadcasting and previously as operations manager with radio stations where he wrote blogs, social media content, news stories, and hosted radio shows. Sean earned a BS in communications from Illinois State University.

Joseph has more than 15 years of experience in information technology and five-plus years managing IT systems. He worked for the past six years with a Peoria-area company as its IT administrator. Joseph earned his MBA from the University of Illinois-Springfield and a Bachelor of Applied Science from Robert Morris University.

Samantha has a background in the criminal justice system with recent experience with the Department of Children and Family Services, as an investigator. She previously worked with the Peoria County State's Attorney's Office and the Peoria County Sheriff's Office. Samantha holds a BS from Saint Ambrose University where she graduated with honors and an associate degree from Illinois Central College, from which she also graduated with honors.

## Looking Ahead

As the third quarter of 2023 ends and with asset aggregation nearly complete, IPOPIF is now focused on its mission of implementing a world-class investment program.

Members of the public are always welcome to attend IPOPIF Board and Committee meetings. Please reference the Calendar tab under the "Meetings" header to review upcoming meeting information. The link to the Zoom call is included in the meeting agendas which also are posted on our website.

If you have any questions and would like to speak with a member of the IPOPIF team, always feel free to call us at 309-280-6464 or email us at [info@ipopif.org](mailto:info@ipopif.org).

## Links to Key Resources

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