



December 10, 2025

The Honorable J.B. Pritzker
Governor, State of Illinois
Office of the Governor
207 State House
Springfield, IL 62706

VIA EMAIL/U.S. MAIL

Dear Governor Pritzker:

This letter is submitted in fulfillment of the reporting requirement of section 1-109.1, subsection 8 of the Illinois Pension Code (40 ILCS 5/1-109.1(8)).

The Illinois Police Officers' Pension Investment Fund ("IPOPf" or the "Fund") was created by Illinois Public Act 101-0610 to consolidate the 357 Article 3 local downstate and suburban Chicago police pension funds and began asset consolidation transfers in March 2022. As of September 30, 2025, 351 Article 3 funds were invested in IPOPf.

The IPOPf Board of Trustees (the "Board") adopted its Investment Policy Statement on December 17, 2021, which includes the MWDBE¹ Investment Manager Utilization Policy (including Emerging Manager² Goals and MWDBE Manager Goals), the Minority Broker-Deal Policy, Fiduciary Diversity Policy, and the Businesses Diversity Policy, collectively attached herein as Exhibit A. These policies and goals are reviewed annually by the Board and were last reviewed on March 14, 2025.

The attached disclosures were compiled based on IPOPf Investment Portfolio holdings as of September 30, 2025, totaling \$14.5 billion and brokerage activities from October 1, 2024, through September 30, 2025. In summary:

- 32% of IPOPf's assets were invested with MWDBE investment managers (Exhibit B).
- 23% of IPOPf's equity assets within separately managed accounts were traded with MWDBE broker/dealers (Exhibit C).

¹ "MWDBE" means a Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2, as amended.

² "Emerging Investment Adviser" or "Emerging Investment Manager," as defined in Section 1-109.1(4) of the Illinois Pension Code, means a qualified Investment Adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a MWDBE.

- 3% of IPOPIF's fixed income assets within separately managed accounts were traded with MWDBE broker/dealers (Exhibit C).
- 2% of IPOPIF's ownership in equity commingled fund strategies were traded with MWDBE broker/dealers.
- 0.03% of IPOPIF's ownership in fixed income commingled fund strategies were traded with MWDBE broker/dealers.

IPOPIF's focus in 2025 and beyond is to transition the portfolio from the interim asset allocation comprised of index strategies to the long-term asset allocation by adding active risk where appropriate. Multiple investment manager searches were conducted in recent months. In all cases the best qualified Emerging Manager and MWDBE manager were invited to present their firm to the Board of Trustees for final consideration of a contract in accordance with section 1-109.1 of the Illinois Pension Code.

- IPOPIF concluded a search for emerging markets equity ex China investment managers in October 2024. One qualified MWDBE manager and one qualified Emerging manager were invited to participate in the finals presentation. The Board awarded \$375 million to the MWDBE manager.
- IPOPIF concluded a search for private credit investment manager in December 2024. One qualified MWDBE manager and one qualified Emerging manager were invited to participate in the finals presentation but were not selected for funding.
- IPOPIF concluded a search for U.S. small cap investment managers in September 2025. One qualified Emerging manager was invited to participate in the finals presentation but was not selected for funding.
- As of September 2025, 5 of the 11 IPOPIF staff, or 45%, are either women or minority.
- As of September 2025, 1 of 8 Board of Trustees, or 12.5%, is a woman.

Thank you for the opportunity to present this report. Please let us know if any further information is desired.

Sincerely,



Richard A. White, Jr.
Executive Director



Kent F. Custer, CFA
Chief Investment Officer

CC: The Honorable Emanuel "Chris" Welch, Speaker of the House
The Honorable Don Harmon, Senate President
The Honorable John Curran, Senate Republican Leader
The Honorable Tony McCombie, House Republican Leader

Exhibit A

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Appendix B1 – MWDBE INVESTMENT MANAGER UTILIZATION POLICY

A. Definitions

1. “Emerging Investment Manager,” as defined in Section 1-109.1(4) of the Illinois Pension Code, means a qualified Investment Adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a MWDBE.
2. MWDBE means a Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2, as amended.
3. “MWDBE Investment Manager” means a qualified Investment Adviser that manages an investment portfolio and is a MWDBE.

B. Emerging Manager Goals

It is the policy of the IPOPIF to utilize Emerging Investment Managers to the greatest extent feasible within the bounds of financial and fiduciary prudence. In accordance with 40 ILCS 5/1-109.1(4), the Board has set forth the following quantifiable goals for percentage of total assets under management to be managed by Emerging Investment Managers:

		Ownership			
		Minority	Women	Disabled	Total
Asset Classes	Equity	9%	9%	2%	20%
	Fixed Income	9%	9%	2%	20%
	Alternatives	9%	9%	2%	20%
	Total	9%	9%	2%	20%

C. MWDBE Manager Goals

It is the policy of the IPOPIF to utilize MWDBE Investment Managers to the greatest extent feasible within the bounds of financial and fiduciary prudence. In accordance with 40 ILCS 5/1-109.1(9), the Board has set forth the following quantifiable goals for percentage of total assets under management managed by MWDBE Investment Managers:

Ownership			
Minority	Women	Disabled	Total
9%	9%	2%	20%

In accordance with 40 ILCS 5/1-109.1(10), it is the aspirational goal for the IPOPIF use MWDBE Investment Managers for not less than 20% of the total assets under management. It is also IPOPIF’s aspirational goal that not less than 20% of Investment Managers be minorities, women, and persons with disabilities, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

D. Certification

Emerging or MWDBE Investment Advisers shall provide documentation establishing their status as an MWDBE. Preference shall be given to the appropriate certification from the State of Illinois

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as acceptable documentation. If such a certification is not available, the IPOPIF may consider other evidence, including certification by another state or a city.

E. Reporting

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy and the following: (1) the names and addresses of the Emerging Investment Managers used; (2) the percentage of the assets under the investment control of Emerging Investment Managers; (3) and the actions the Fund has undertaken to increase the use of Emerging Investment Managers, including encouraging other Investment Managers to use Emerging Investment Managers as subcontractors when the opportunity arises.

F. Review Requirement

The Board of Trustees shall review this Policy and associated goals annually.

Appendix B2 – MINORITY BROKER-DEALER POLICY

This Policy addresses the requirement of Section 1-109.1(7) of the Illinois Pension Code.

A. Definitions

1. "Minority Broker-Dealer" means a qualified broker-dealer who meets the definition of "minority-owned business", "women-owned business", or "business owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act., 30 ILCS 575/2, as amended.
2. "Best Execution" means the best possible result taking into account all relevant considerations such as price, costs, speed, and likelihood of execution and settlement.

B. Goal

It is the goal of the IPOPIF that Investment Managers utilize Minority Broker-Dealers for **20%** of trades.

C. Best Execution Required

Investment Managers are always required to seek Best Execution.

D. Manager Reporting

1. Each Investment Manager shall report minority brokerage on a quarterly basis.
2. Equity manager reports are expected to include the following information:
 - a. Total shares traded and total commission dollars.
 - b. Minority brokerage shares traded and commission dollars.
 - c. Percentage of minority brokerage by shares and dollars.
3. Fixed income manager reports are expected to include the following information:
 - a. Total par value traded and average bid/ask spread.
 - b. Minority par value traded and average bid/ask spread.
 - c. Percentage of minority brokerage by par value traded.
4. All Investment Managers are encouraged to include a discussion of minority brokerage trends, obstacles, and initiatives to increase minority brokerage.

E. Reporting

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy and the specific actions undertaken to increase the use of Minority Broker-Dealers.

F. Review Requirement

The Board of Trustees shall review this Policy and associated goals annually.

Appendix B3 – FIDUCIARY DIVERSITY POLICY

This Policy addresses the requirement of Section 1-109.1(5) of the Illinois Pension Code.

It is the policy goal of the IPOPIF to increase the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff. IPOPIF shall make its best efforts to ensure that the racial and ethnic makeup of its senior administrative staff represents the racial and ethnic makeup of its membership.

When procuring investment services, the IPOPIF shall encourage participation of businesses owned by minorities, women, and persons with disabilities to respond to requests for proposals and will also work to encourage majority firms acting as fiduciaries to hire and promote minorities, women, or persons with disabilities in senior staff and ownership positions.

Investment Managers shall be procured in the manner prescribed by the Procurement of Investment Services Policy, PP-2021-07. Policy goals to increase the utilization of investment management firms owned by minorities, women or persons with disabilities are addressed in Appendix B1 of this Investment Policy.

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy.

The Board of Trustees shall review this Policy and associated goals annually.

Appendix B4 – BUSINESSES DIVERSITY POLICY

This Policy addresses the requirement of Section 1-109.1(6) of the Illinois Pension Code.

It is IPOPIF's policy to utilize businesses owned by minorities, women, and persons with disabilities for all contracts and services, including investment-related contracts and services.

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy.

The Board of Trustees shall review this Policy annually.

Appendix B5 – ECONOMIC OPPORTUNITY

Pursuant to 40 ILCS 5/1A-108.5, the Fund recognizes that it is the public policy of the State of Illinois to promote the economy of Illinois through the use of economic opportunity investments to the greatest extent feasible within the bounds of financial and fiduciary prudence.

The Fund shall submit a report to the Governor and the General Assembly by September 1 of each year that identifies the economic opportunity investments made by the Fund, the primary location of the business or project, the percentage of the Fund's assets in economic opportunity investments, and the actions that the Fund has undertaken to increase the use of economic opportunity investments.

The Board of Trustees shall review this Policy annually.

Exhibit B**MWDBE Investment Manager Utilization****October 1, 2024 - September 30, 2025**

MWDBE Managers	Address	Assets Under Management	% of total Assets Under Management
ARGA*^	1010 Washington Blvd, 6th Floor, Stamford, CT 06901	477,541,063	3.3%
RhumbLine Advisors*^	265 Franklin Street, 21st Floor, Boston MA 02110	4,134,044,683	28.6%
Total		\$ 4,611,585,746	31.9%

* Represents "minority-owned business", "women-owned business" or "business owned by a person with a disability" as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

^ Represents managers with more than \$10,000,000,000 in assets under management.

Classifications	Target	Assets Under Management	% of total Assets Under Management
Minority	9%	477,541,063	3.3%
Women	9%	4,134,044,683	28.6%
Disabled	2%	-	-
Total	20%	\$ 4,611,585,746	31.9%

Exhibit C**MWDBE Brokerage Utilization within Separately Managed Accounts***October 1, 2024 - September 30, 2025*

Asset Classes	Target	Commission	% of total Commission
Equity	20%	\$ 38,571	23.2%

Asset Classes	Target	Par Value Traded	% of total Par Value Traded
Fixed Income	20%	23,317,647	2.8%

Classifications	Equity	Fixed Income
Minority	13.8%	1.3%
Women	-	1.5%
Disabled	9.4%	-