Illinois Police Officers' Pension Investment Fund

Board of Trustees Meeting- July 31, 2026

Notice is hereby given that the Board of Trustees of the Illinois Police Officers' Pension Investment Fund will conduct a regular meeting on Friday, July 31, 2026, at 9:00 AM at the Twin Towers Building, 456 Fulton Street, Suite 402, Peoria, IL. 61602.

Members of the public who wish to observe/participate in the meeting may do so (1) from the IPOPIF meeting room or (2) via the live stream on the Zoom video conferencing platform (information below) from any location. By entering the meeting, participants agree to be audio and video recorded.

Join Zoom Meeting via Video:
Video: www.zoom.us
Meeting ID: 874 4397 6698
Passcode: 018794

Join Zoom Meeting via Dial-In:
Dial In: (312) 626-6799
Meeting ID: 874 4397 6698
Passcode: 018794

July 31, 2026 09:00 AM Central Time (US and Canada)

Agenda Topic — Page

Adjournment (2:00 PM)

NOTE: Agenda materials provided are for the information of the reader in advance of the noticed meeting. Discussion and formal action, if any, on any agenda item will be taken by the Board of Trustees at the noticed meeting in accordance with the Open Meetings Act.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

BOARD OF TRUSTEES MEETING

FRIDAY, JULY 31, 2026

A. CALL MEETING TO ORDER

THE REGULAR MEETING OF THE BOARD OF TRUSTEES WAS CALLED TO ORDER AT ______________ AM BY CHAIRPERSON SWANLUND.

B. ROLL CALL OF TRUSTEES

TRUSTEE	PRESENT	ABSENT
BOWERS		
CATAVU		
HOPKINS		
INMAN		
NAWROCKI		
POULOS		
SUESS		
SWANLUND		
PRUYN		

C. ADJOURNMENT

THE REGULAR MEETING OF THE BOARD OF TRUSTEES WAS ADJOURNED AT ______________ AM/PM.

456 Fulton Street, Suite 402, Peoria, IL. 61602

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ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES MEETING

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: REMOTE MEETING PARTICIPATION

DATE: JULY 31, 2026

RECOMMENDATION: Motion to allow Trustee _______________to participate in the July 31, 2026, meeting of the Board of Trustees by audio, video, or internet conferencing.

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§209 Remote Attendance

a) Upon a majority vote of Trustees present at a meeting, a Trustee who is not physically present may participate in a meeting by audio, video, or internet conferencing, provided the Trustee is prevented from physically attending due to: (1) personal illness or disability; (2) employment purposes or Fund business; (3) a family or other emergency, or (4) unexpected childcare obligations; (5) performance of duty as an active service member. A Trustee who wishes to attend by telephone, video or internet conferencing must notify the Board Secretary and the Executive Director at least 24 hours prior to the meeting, unless advance notice is impractical. A Trustee who is allowed to participate by telephone, video or internet conferencing shall not be considered present for purposes of a quorum but shall be considered in attendance for all other purposes and allowed to vote on matters brought before the Board.

In accordance with Board rules and the Open Meetings Act, the Board of Trustees will discuss and take necessary action to allow remote participation if members of the Board will not be physically present for the meeting. **A quorum of six members of the Board of Trustees is required to be present in the Board meeting room to comply with the Open Meetings Act.**

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ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: TRUSTEE JEFF PRUYN – SEATING AND OATH OF OFFICE

DATE: JULY 31, 2026

RECOMMENDED ACTION: General Legal Counsel Reimer will Administer Oath of Office to Trustee Jeff Pruyn.

BACKGROUND:

On July 11, 2026, Governor J.B. Pritzker appointed Jeff Pruyn, Mayor, Village of Itasca, to the trustee seat designated to be filled by a representative of the Illinois Municipal League. (Section 22B-115 (4) (b)). The term of office for this seat runs from January 2025 through December 2026.

DISCUSSION:

Jeff Pruyn has called Itasca home his entire life, continuing a family tradition of public service that spans more than 80 years. Inspired by that tradition and motivated by a desire to give back to the place that shaped him, Jeff ran for office and was elected Village Trustee in 1995. In 2009, during a national economic downturn, he ran for Mayor to help guide the village through uncertainty-and has served in that role since.

As Mayor, Jeff has prioritized financial stability, infrastructure, and long-term planning. With his background as a Certified Public Accountant, he has led efforts to invest over $100 million in roads, utilities, public buildings, and outdoor spaces-ensuring they meet the needs of residents now and in the future.

One of Jeff's major initiatives is the revitalization of downtown Itasca. He helped lead the creation of a long-term plan shaped by community input, and under his leadership, the village established its first Tax Increment Financing (TIF) district to support public improvements without increasing taxes. He also backed projects that bring new economic opportunity, including the NTT data center campus.

Beyond the village, Jeff serves as Vice Chairman of the DuPage Water Commission, Treasurer of the Suburban O'Hare Commission, and a Board Member and Past President of the DuPage Mayors and Managers Conference. In these roles, he works on regional issues such as water supply, transportation, finance, and airport-related concerns. His leadership in these areas led to his

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selection for the Edgar Fellowship, a competitive program that brings together local officials across Illinois for advanced leadership development.

Jeff also runs Anthes, Pruyn and Associates, a CPA firm based in downtown Itasca, and provides consulting for the Illinois Finance Authority.

For Jeff, Itasca is more than home-it's where he and his wife Kristi raised their sons, Austin and Andrew. Though their family has grown with the addition of a grandchild, Jeff's focus remains close to home: ensuring Itasca remains a place where families can build their lives, just as his did.

CONCLUSION:

The Oath of Office will be administered by General Legal Counsel Reimer to Trustee Jeff Pruyn for the term of office as the Trustee #9 seat on the Board of Trustees.

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ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

OATH OF OFFICE

OATH OF OFFICE

STATE OF ILLINOIS

I, JEFF PRUYN, do solemnly swear that I will support the Constitution of the United States, and the Constitution of the State of Illinois, and that I will faithfully discharge the duties as Board Trustee of the Illinois Police Officers' Pension Investment Fund to the best of my ability. I will diligently and honestly administer the affairs of the Board and will not violate of knowingly permit the violation of any provision of Article 22B of the Illinois Pension Code.

____

Signature

The above oath of office was administered, subscribed, and duly sworn (or affirmed) before me on this 31st day of July 2026.

____

Notary Public Signature

____

Commission Expiration Date

Notary Stamp/Seal

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ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: ACTUARIAL EXPERIENCE STUDY – APPROVAL OF REPORT AND ASSUMPTIONS

DATE: JULY 31, 2026

RECOMMENDED ACTION(S): Approve Actuarial Experience Study and adopt recommended assumptions contained in the Foster & Foster report on pages 34-35 dated February 19, 2026.

In accordance with the Pension Code and Fund By Laws, the approval of the Actuarial Experience Study requires the affirmative vote of at least six (6) Trustees.

BACKGROUND:

In April, the Board of Trustees considered the results of February 19, 2026, Actuarial Experience Study for Fiscal Years, with Mr. Jason Franken, FSA, EA, MAAA with Foster & Foster.

Subsequent to the presentation of these results, the Board of Trustees considered a motion to approve the recommendations contained in report but did not meet the statutory requirement of having the affirmative vote of at least six (6) trustees.

This report was completed in accordance with Illinois Pension Code and recommended practices including Government Finance Officers Association (GFOA) and Actuarial Standards of Practice (ASOP).[1]

[1] Generally speaking, ASOPs identify what the actuary should consider, document, and disclose when performing actuarial assignments.

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An actuarial experience study analyzes the assumptions used for the preparation of the actuarial valuation reports which are prepared by the Fund's actuary for Article 3 police pension funds.

It is standard practice to review and update these actuarial assumptions on a regular basis usually every 3 to 5 years.

- Economic Assumptions: Evaluates inflation, salary increases, cost of living adjustments (COLA), and the assumed investment rate of return.
- Demographic Assumptions: Analyzes how long members live (mortality rates), when they retire, and rates of disability or withdrawal from the plan.
- Funding Adjustments: Compares actual experience against projected estimates to adjust future employer contribution requirements.

The use of realistic actuarial assumptions is important in maintaining adequate funding, while paying the promised benefit amounts to participants already retired and to those near retirement.

It is desirable to estimate as closely as possible what the actual cost will be so as to permit an orderly method for setting aside contributions today to provide benefits in the future, and to maintain equity among generations of participants and taxpayers.

As noted in previous actuarial presentations, "the focus should be on proper actuarial assumptions and actuarial methodology rather than on the amount of contribution generated by the actuarial valuation."

DISCUSSION:

To project the costs and liabilities of the Article 3 police pension funds, assumptions were made about all future events that could affect the amount and timing of the benefits to be paid and the assets to be accumulated.

The assumptions currently used by the Fund were adopted by the Board of Trustees in September 2022 after the original actuarial experience study prepared by Foster & Foster.

Each year's actual experience is compared with the projected experience, and to the extent that there are differences, the future contribution requirement is adjusted.

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As noted in the report[2] and during the discussion at the April Board of Trustees meeting:

- **Economic Assumptions:**
    - **Investment return** was recommended to remain at 6.8%.
        - The assumed rate of return was a sound assumption over the long term.
        - The trend amongst public pension funds has been to lower the rate of return with the median fund at 7.00% and the average fund at 6.91%.[3]
        - When the 6.8% investment return assumption was established in 2022, it was in the 60th percentile. Current data suggests that the assumption is now in the 53rd percentile.
    - **Inflation** was recommended to remain at 2.50%.
    - **Salary Increases** were recommended for minor adjustments, generally higher than previously assumed, to blend in recent experience.
        - Municipalities INCREASED the salaries provided to officers. The actual salary increase was 6.42% versus an expected salary increase of 5.35%.
        - Actual experience was higher than expected.
    - **Payroll Growth** was recommended to remain at 3.00%.
- **Demographic Assumptions:**
    - **Retirement Rates** were recommended for minor adjustments, generally higher than previously assumed to age 65 and lower than assumed after age 65, to blend in recent experience.
        - The retirement rated INCREASED as officers seemed to retire early or as soon as they were eligible to do so.
        - Actual experience was higher than expected.
    - **Withdrawal/Termination Rates** were recommended for higher rates for withdrawal/termination prior to completing 15 years of service.
        - The funds experienced an INCREASE in turnover of officers.
        - Actual experience was nearly double expectations.

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[2] Actuarial Experience Study page 6.
[3] Actuarial Experience Study page 11.

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- **Disability Incidence Rate** adjustments were recommended. The new rates would apply a factor of 1.046 to the current disability rates. Additionally, the service-related disabilities probability would increase from 60% to 70%.
- **Mortality Rates** are recommended to be unchanged, with the same adjustments for the credibility of the fund's actual experience. The actual experience varied somewhat from the current assumption but that is at least partially attributable to the pandemic.
- **Other Demographic Assumption** changes recommended were an increase in the administrative expense load to 2.5% of the total normal cost.

For discussion purposes, data presented by Foster & Foster from this actuarial experience study reveal that the average impact on funds will be an approximately 3-6% increase in their contribution rates.

- The funds having more active members versus retired members will realize a higher rate due to the demographic and economic assumption changes related to increased salaries and retirement rates.
- The increase is partially offset by the increase in the withdrawal/termination rates.
- Additional data indicates that the funded ratios of the funds slightly decreases as a result of these assumption recommendations.
- Importantly, the contribution increases are phased in over three years, as required by the Pension Code.

A recent study by NCPERS found that "receiving the full actuarially determined contribution is a key to better funding outcomes, as systems that do so report funded ratios an average of 20 percentage points higher than systems that do not receive the full contribution."[4]

[4] Source: National Conference on Public Employee Retirement Systems (NCPERS) Public Retirement Systems Study 2025 Edition.

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CONCLUSION:

The presented actuarial experience study covers compiled plan experience from 2021 through 2024 and will be used for actuarial valuation reports beginning with the fiscal year 2026 valuations.

The Board of Trustees should consider completing action for the actuarial experience study at this meeting, as the actuarial valuation reports for those funds with early 2026 fiscal year ends will start shortly after this meeting. At this time, at least seven Article 3 funds have already submitted their 2026 annual statements to the Department of Insurance and are awaiting the resolution of this assumption issue to be resolved in order for the valuation reports to be completed by our actuary..

It is highly recommended that assumptions used for the fiscal year 2026 valuation reports be consistent and used for all funds going forward, which indicates the importance of the Board of Trustees considering and acting on the recommended changes to the actuarial experience study at this meeting.

It is important to note that Foster & Foster are members of the American Academy of Actuaries, and they meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this experience study.

The actuarial recommendations presented provide better representation of the current experience within Article 3 police pension funds since the last study was adopted in 2022. In general, moving forward with the current assumptions could result in some risk of continuing actuarial losses for the Article 3 police pension funds assuming that the experience found – especially with the salary assumption continues. Thus, it is recommended by the Actuary that these changes are material and warranted.[5]

[5] Comments by Mr. Jason Franken in response to a question from the Board of Trustees asking if any of the assumptions are material and why any changes should be made.

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Attachments:

- Actuarial Experience Study, Report date: February 19, 2026.
- Examples of actuarial funding changes.
- Actuarial Valuation Policy

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Illinois Police Officers' Pension Investment Fund

Actuarial Experience Study

Report Date: February 19, 2026

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 19, 2026

Board of Trustees
Illinois Police Officers' Pension Investment Fund

Re: Illinois Police Officers' Pension Investment Fund Actuarial Experience Study

Dear Board of Trustees,

We are pleased to present to the Board of Trustees (Board) this report of the results of an actuarial experience study analyzing the assumptions used for actuarial valuation purposes for valuation reports produced on behalf of the Illinois Police Officers' Pension Investment Fund beginning with the fiscal year 2026 valuations. We have compiled plan experience from 2021 through 2024.

The report includes a review of demographic and economic experience, a comparison of this experience to current actuarial assumptions, and our recommendations for consideration regarding changes in assumptions or methods to be effective for actuarial valuations performed for fiscal year 2026. We believe implementing the recommended changes will assist in achieving the objective of developing costs that are stable, predictable, and represent our best estimate of anticipated experience.

It is important to remember that the ultimate cost of the retirement plan is independent of any actuarial assumptions or methods used throughout the valuation process. This cost will be the sum of the benefits paid from the fund and the administrative expenses incurred, less any net investment gains received. Future actuarial measurements may differ significantly from current measurements due to such factors as: plan experience differing from that anticipated by assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used; changes in plan provisions or applicable law

DATA AND ASSUMPTIONS

In preparing this report, we have relied on personnel and plan design supplied by the Fund. Assets were determined based on audited financial reports supplied by the Fund. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

DISCLOSURES AND LIMITATIONS

Foster & Foster does not provide legal, investment or accounting advice. Thus, the information in this report is not intended to supersede or supplant the advice or the interpretations of the plan or its affiliated legal, investing or accounting partners.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic

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or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

ACTUARIAL CERTIFICATION

The experience study has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board; specifically No. 4 for Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 for Data Quality, No. 27 for Selection of Economic Assumptions for Measuring Pension Obligations, No. 35 for Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, No. 44, Selection and Use of Asset Valuation Methods for Pension Valuations, and No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on this report has any direct financial interest or indirect material interest in the Illinois Police Officers’ Pension Investment Fund, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Illinois Police Officers’ Pension Investment Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

Respectfully submitted,

Foster & Foster, Inc.

Jason L. Franken, FSA, EA, MAAA

Paul M. Baugher, FSA, EA, MAAA

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ACTUARIAL STANDARDS OF PRACTICE

The Actuarial Standards Board (ASB) is responsible for determining which actuarial activities are the best representations of generally accepted actuarial principles and is also responsible for issuing guidance in the form of Actuarial Standards of Practice (ASOPs) to help actuaries in various practice areas deliver results and recommendations that are consistent with those representations. Generally speaking, ASOPs identify what the actuary should consider, document, and disclose when performing actuarial assignments.

The experience study and related measurements of benefit obligations for the plan are subject to the "coordinated guidance" provided in various ASOPs, including but not limited to:

- ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, which ties together the standards shown below, provides guidance on actuarial cost methods, and addresses overall considerations for measuring pension obligations and determining plan costs or contributions
- ASOP No. 23, *Data Quality*
- ASOP No. 25, *Credibility Procedures*
- ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*
- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*
- ASOP No. 41, *Actuarial Communications*
- ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*
- ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*
- ASOP No. 56, *Modeling*

This report refers to ASOPs by number (e.g. ASOP No. 4) throughout. It is important to keep in mind that this experience study report only reflects the guidance provided in the final releases of the above-mentioned ASOPs issued by the ASB on or before the date of this report. The results provided in this report reflect the requirements of, and are consistent with, the applicable above-mentioned Actuarial Standards of Practice. When applicable, details from the relevant ASOP will be provided in the report section associated with a particular analysis or topic.

RECOMMENDATIONS

Below is a summary of the recommended assumption changes resulting from the study. A detailed list of assumptions is at the end of the report.

Economic Assumptions

- Investment Return: We recommend no change to the 6.80% assumption.
- Inflation: We recommend keeping the current 2.50%.
- Salary Increases: We recommend minor adjustments, generally higher than previously assumed, to blend in recent experience.
- Payroll Growth: We recommend no change to the 3.00% assumption.

Demographic Assumptions

- Retirement Rates: We recommend minor adjustments, generally higher than previously assumed prior to age 65 and lower than previously assumed after age 65, to blend in recent experience.
- Withdrawal/Termination Rates: We recommend higher rates for service prior to completing 15 years of service.
- Disability Incidence Rates: We recommend adjusting the current disability rates by a factor of 1.046. and increasing the service-related disabilities probability from 60% to 70%.
- Mortality Rates: We recommend continuing use of the Pub-2010 Public Safety mortality tables, with the same adjustments for the credibility of the fund's actual experience.
- Other Demographic Assumptions: We analyzed the current assumptions for marital status, spousal age difference, the proportion of deaths that are duty-related, and administrative expenses. We only recommend changing the administrative expenses load to 2.5% of the total normal cost.

REVIEW OF ECONOMIC ASSUMPTIONS

ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, provides guidance to actuaries in selecting (including giving advice on selecting) economic assumptions – primarily investment return, discount rate, post-retirement benefit increases, inflation, and compensation increases – for measuring obligations under defined benefit pension plans.

Throughout the remainder of this section, we have used the standards set forth in ASOP No. 27 as a guideline for reviewing and if applicable, selecting recommended changes to the following economic actuarial assumptions and methods:

- Investment Return
- Inflation
- Salary Increases
- Payroll Growth

Please keep in mind that ASOP No. 27 (and ASOP No. 35) recognizes a range of reasonable assumptions and states "the actuary should recognize the uncertain nature of the items for which assumptions are selected and, as a result, may consider several different assumptions reasonable for a given measurement. The actuary should also recognize that different actuaries will apply different professional judgment and may choose different reasonable assumptions. As a result, a range of reasonable assumptions may develop both for an individual actuary and across actuarial practice."

INVESTMENT RETURN

The investment return assumption is critical in the actuarial valuation since it determines the portion of assets that will come from investment income rather than contributions from the plan sponsor and its participants. The investment return assumption should be determined based on the long-term rate of return (net of investment-related fees) the plan expects to earn over the life of the plan. The current assumed rate of investment return for most plans is 6.80% per year compounded annually, net of investment-related expenses. We believe that the decision to set the investment return assumption shall be made based upon input from your investment professionals, reflecting any significant changes to the asset allocation, and their judgment of capital market returns. Keep in mind, however, that this assumption should reflect the best estimate of investment returns expected to be realized over the next several decades.

ASOP No. 27 provides that in developing a reasonable assumption, the actuary may consider a broad range of data and other inputs, including the judgment of investment professionals. The data that may be considered includes: current yields to maturity of fixed income securities; forecasts of inflation, GDP growth, and total returns for each asset class; historical and current investment data (including real and nominal returns); the inflation and inflation risk components implicit in the yield of inflation-protected securities; dividend yields, earnings yields, and real estate capitalization rates; and historical plan performance.

For purposes of reviewing the investment return assumption, a building block approach is often used, whereby the actuary determines the weighted average expected real rate of return for the plan's target investment portfolio and then adjusts for inflation and expenses not reflected in the real rates of return. Foster & Foster is an actuarial firm, and we do not have the required expertise to produce our own capital market assumptions. For this reason, ASOP No. 27 addresses that the actuary will often collect capital market assumptions from external sources to determine the forward-looking expected geometric returns. The capital market assumptions can be broadly classified into the following categories: expected returns by asset class; standard deviation by asset class; and correlation coefficients between asset classes.

For this analysis, we relied on data collected as part of the "Survey of Capital Market Assumptions: 2025 Edition" released by Horizon Actuarial Services. This survey collects the capital market assumptions from 41 different investment firms, including Verus Investments (Verus), from across the country. The purpose of this survey is to provide a broad range of opinions on future expectations rather than relying on a single source. This survey has been conducted annually since 2012. Overall, expectations have increased over the last few years in most asset classes driven by an increase in interest rates.

As part of our analysis, we reviewed the proposed changes to the asset allocation, which has been adopted by the Board. These policies are outlined on the following page.

Asset Allocation	Long-Term Asset Allocation (%)
Growth	
US Large	23.0%
US Small	5.0%
International Developed	19.0%
International Developed Small	5.0%
Emerging Markets	6.0%
Income	
High Yield Corp. Credit	4.0%
Emerging Market Debt	6.0%
Bank Loans	3.0%
Private Credit	3.0%
Real Assets	
Real Estate	6.0%
Risk Mitigation	
Cash	1.0%
Short-Term Gov't/Credit	10.0%
US Treasury	3.0%
US TIPS	3.0%
Core Fixed Income	3.0%
Total	100.0%

Below is a table with the long-term asset allocation and the expected nominal rates of return by asset class based on the Horizon survey.

Asset Class	20-Year Expected Return	Long-Term Asset Allocation
Large Cap U.S. Equity	7.00%	23.00%
Small/Mid Cap U.S. Equity	7.38%	5.00%
Non-US Equity - Developed	7.35%	24.00%
Non-US Equity - Emerging	7.91%	6.00%
US Corp Bonds - Core	5.10%	16.00%
US Corp Bonds - High Yield	6.33%	4.00%
Non-US Debt - Emerging	6.30%	6.00%
US Treasuries (cash equivalents)	3.59%	4.00%
TIPS (inflation-protected)	4.41%	3.00%
Real Estate	6.38%	6.00%
Private Debt	8.08%	3.00%

Below, we have calculated various expected returns based on the long-term investment policy, leveraging the data from the 2025 Horizon survey. We believe the 40th to 60th percentiles are a reasonable range for the assumption; however, we prefer the assumption to be within the 45th to 55th percentile range. The 50th percentile is the midpoint, with half of the results expected to exceed and half the results expected to fall short of that level.

	Geometric Return
40th Percentile	6.31%
45th Percentile	6.65%
50th Percentile	6.99%
55th Percentile	7.32%
60th Percentile	7.66%

The following table provides the probability of exceeding various assumptions.

Investment Return Assumption	Horizon Survey
5.75%	68.00%
6.00%	64.00%
6.25%	61.00%
6.50%	57.50%
6.75%	53.50%
7.00%	49.50%
7.25%	46.00%

Finally, we should consider the trend in the investment return assumptions of other similarly situated pension plans across the country. Each year, the National Association of State Retirement Administrators (NASRA) releases a survey of the investment return assumptions used by about 130 of the largest public pension systems in the country. The most recent full survey was as of June 2025. This information is summarized below. Figure 1, taken from NASRA's website, shows that an assumption of 7.00% is the most common range of assumptions among the respondents. Figure 2 shows how discount rates are trending down over the last 25 years, with the median assumption falling from 8.00% to 7.00% over that 25-year period.

Figure 1

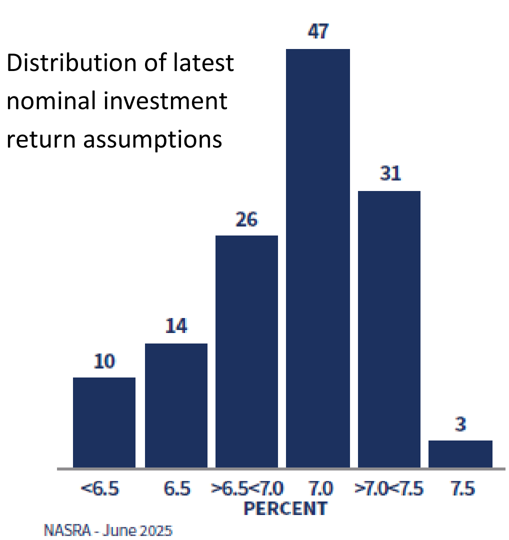
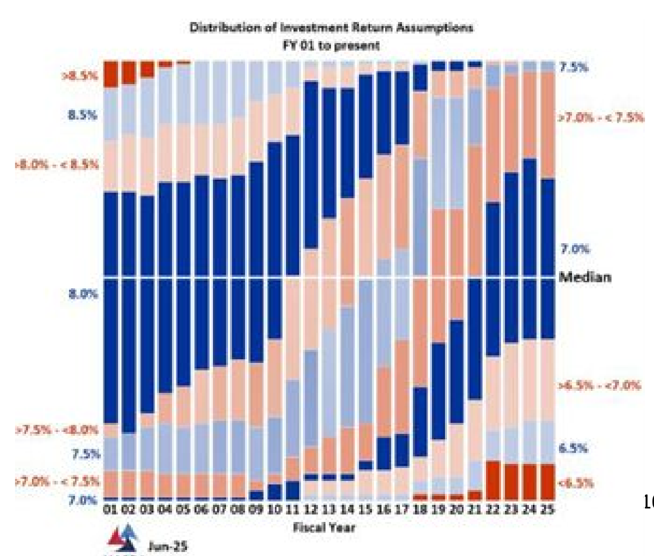


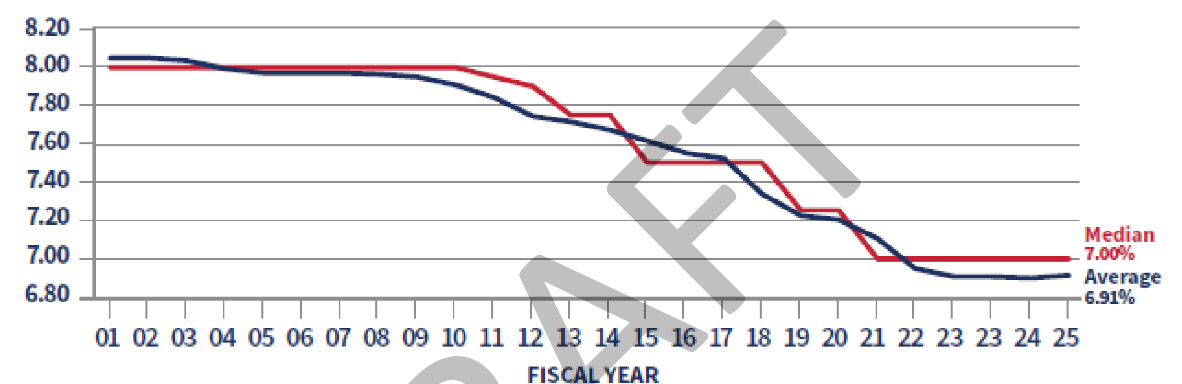
Figure 2



Over the last couple of years, there has been stabilization in the investment return assumption. This is consistent with the trend observed in the investment advisor expectations by asset class in the "Survey of Capital Market Assumptions: 2025 Edition" performed by Horizon Actuarial Services where they state the following:

"For illustration, this report also constructs an asset allocation for a hypothetical multiemployer pension plan and uses the results from the survey to develop a range of reasonably expected returns for the plan. The expected returns for this 2025 edition were 6 basis points lower over a 10-year horizon than they were last year. Over a 20-year horizon, expected returns are 2 basis points higher than they were last year."

FIGURE 3. Change in average and median nominal investment return assumption



Public Fund Survey - April 2025

As part of this survey, the following Illinois public pension funds are included. Below is a summary of their recently published interest rate assumptions based on an updated NASRA survey:

- Illinois Municipal Retirement Fund 7.25%
- Illinois State Employees' Retirement System 6.75%
- Teachers' Retirement System of Illinois 7.00%
- State Universities Retirement System 6.50%

When setting any assumption, it is important to consider the concept of intergenerational equity. If you are too aggressive in your assumption setting, you are giving current taxpayers a break relative to their future counterparts. Similarly, if you are too conservative, you are asking current taxpayers to bear an unreasonable burden of the expense so that future taxpayers pay less. This is why it is so critical to set this assumption based on actual expectations, given the data available. You want the burden to be shared equally among current and future taxpayers, and the best way to do this is to set an assumption that is the best expectation of future experience.

RECOMMENDATION

When the 6.80% investment return assumption was established in 2022, it was in the 60th percentile. Current data suggests that the assumption is now the 53rd percentile. Given this, we still believe the current assumption is reasonable and recommend maintaining the 6.80% assumption. As a long-term assumption, it should not be adjusted based on short-term forecast fluctuations. We will continue to monitor this assumption and propose changes if it becomes necessary.

INFLATION

Inflation refers to general economic inflation, defined as price changes over the whole of the economy. The assumed inflation rate is the basis for the other economic assumptions, such as assumed investment returns, the discount rate, and salary increase assumptions.

In order to assess the reasonableness of the inflation assumption, we review historical inflation, applicable inflation forecasts to the extent available, inflation assumptions used by the system's investment consultant and other investment consultants, and assumptions currently used by similar plans.

Following ASOP No. 27, which provides guidance on the selection of economic assumptions, such as inflation, our determination of an appropriate inflation assumption includes a review of recent and long-term historical inflation, without giving undue weight to recent experience. We note that long-term historical experience, beyond 35 or so years, is less meaningful given that the Federal Reserve Board's monetary policy changed in the 1980's toward more vigilance in preventing high inflation.

HISTORICAL INFLATION

Over the last 20 years, inflation was low until a spike in 2021, which has slowly eased. The table below shows the average historical change in the annual CPI-U, over various periods. The average increase shown reflects the annual average rates for the year.

Periods Ending 2025	Average Annual Increase in CPI-U
Last 1 year	2.7%
Last 5 Years	4.5%
Last 10 Years	3.1%
Last 20 Years	2.5%
Last 30 Years	2.5%
Last 40 Years	2.8%

Source: Bureau of Labor Statistics, CPI-U, all items, not seasonally adjusted.

The current assumption of 2.50% appears to be low based on recent increases and the average increase over the last 40 years.

YIELDS ON GOVERNMENT SECURITIES OF VARIOUS MATURITIES

The spread between the nominal yield on treasury securities and the inflation indexed nominal yield on inflation protected treasury bills (TIPS) of the same maturity is referred to as the "breakeven rate of inflation" and represents the bond market's expectation of inflation over the period to maturity. Current estimates reported at Bloomberg.com on January 26, 2026 are as follows.

Years to Maturity	Bond Nominal Yield	TIPS Nominal Yield	Breakeven Rate of Inflation
10 Years	4.00%	1.88%	2.12%
30 Years	4.63%	2.38%	2.25%

The current assumption is slightly high compared to the market data based on the 10-year and 30-year data point.

FORECASTS OF INFLATION

The Federal Reserve Bank of Philadelphia conducts a quarterly survey of the Society of Professional Forecasters and publishes a mid-term expectation. Their most recent forecast (fourth quarter of 2025) predicts average inflation over the next ten years (2025-2034) will be 2.38%. The Philadelphia Fed's Livingston Survey summarizes the forecasts of economists from industry, government, banking, and academia. The December 2025 report shows an average 10-year inflation expectation of 2.40%. The report does not provide a forecast beyond 10 years.

The Social Security Administration's 2025 Trustees Report includes the Office of the Chief Actuary's projection of ultimate long-term (75 year) average annual inflation. The intermediate cost assumption is 2.40%. The report provides a low-to-high range of 1.80% to 3.00%.

FORECASTS FROM INVESTMENT CONSULTING FIRMS

Horizon Actuarial Services, LLC, compiles and summarizes expected returns and volatility by asset class for 41 different investment advisors. The results of the survey are provided in a report titled "Survey of Capital Market Assumptions: 2025 Edition." The report defines the short-term horizon as 10 years and the long-term horizon as 20-years. All 41 advisors provided short-term assumptions, while only 27 provided both short-term and long-term assumptions. The average short-term (10-year) inflation assumption for all advisors is 2.38%, with a range of 2.0% to 2.9%. Of the 27 advisors providing both short-term and long-term assumptions, the short-term inflation assumption is 2.39% and the long-term inflation assumption is 2.40%, with a range from 2.2% to 2.7%.

RECOMMENDATION

Based on consideration of all of the data, we see no compelling factors to change the current assumption of 2.50% at this time and recommend keeping the long-term inflation assumption at 2.50%.

SALARY AND REAL WAGE GROWTH

The salary increase assumption is used to project a member's annual salary each year from the valuation date through the assumed retirement age. This assumption plays an important role in measuring individual pension costs and obligations. The sum of inflation and the real wage growth components comprise the recommended salary increase assumption. The real rate of wage increase includes increases due to promotion and longevity, often called merit increases, which are generally service related.

We previously addressed the inflation assumption, which we recommend keeping at 2.50%. We address the real wage growth assumption below.

EXPERIENCE AND RECOMMENDED ASSUMPTIONS

To assess the current assumed annual increases and provide a basis for updated assumptions, we reviewed the actual salary experience over the study period. Salary increases across all service levels were higher than expected. It is important to keep in mind that salary increase assumptions are used to project a member's salary from the valuation date until the assumed retirement age. For newly hired members, this projection could be for 40 or more years. Therefore, the recent past should not be considered in isolation. In addition to recent experience, we reviewed the experience from the three prior experience studies and long-term wage growth assumptions used by the Social Security Administration.

Actual Aggregate Salary Increase Experience			
	Actual Inflation	Real	Total
2004-2011	2.53%	3.32%	5.85%
2011-2016	1.32%	2.90%	4.22%
2017-2020	1.83%	2.88%	4.71%
2021-2024	5.00%	1.42%	6.42%

Salary Increase Assumption – Current and Proposed			
	Assumed Inflation	Real	Total
Current Aggregate Assumed Annual Increase	2.50%	2.85%	5.35%
Proposed Aggregate Assumed Annual Increase	2.50%	3.29%	5.79%

The Social Security Administration's (SSA) 2025 Trustees Report includes the Office of the Chief Actuary's projections of real wage inflation, which are used in their 75-year projections. These assumptions are based on data derived predominantly from the private sector and should therefore not be considered in isolation. However, this can provide a basis to help determine the reasonableness of the recommended long-term real increases shown above.

The annual increase in the National Average Wage Index under the intermediate cost assumption (best estimate) was 3.56%, with a range from 2.34% to 4.78%. After netting the SSA's inflation assumptions, the

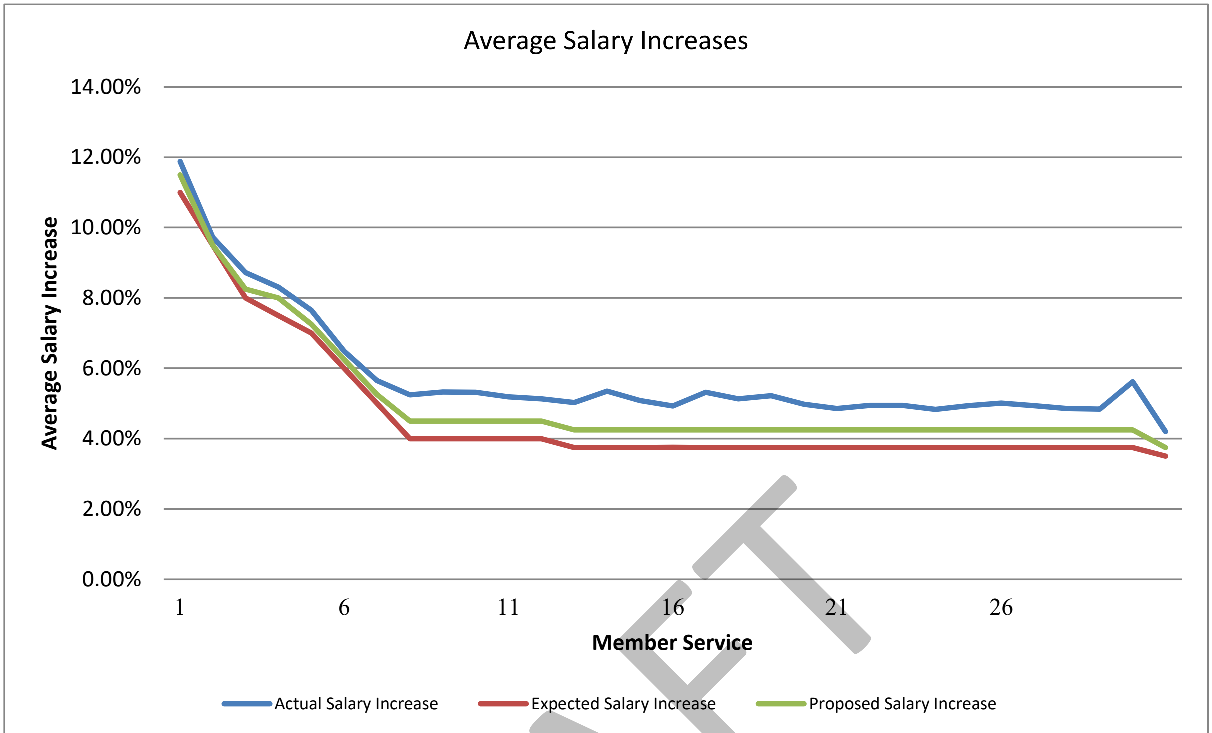
SSA's best estimate of the current long-term real wage inflation is 1.13%, with a range of 0.53% to 1.73% per year.

The proposed salary increase rates by duration of service are provided in the following table. Following the table is a graph which provides a visual representation of the actual and proposed salary increase rates compared to the current assumption.

Illinois Police Officers' Pension Investment Fund
2021 - 2024 Salary Increase Experience

Service	Eligible Members	Prior Year Salaries[1]	Actual Salaries[1]	Expected Salaries Current Assumption[1]	Actual Salary Increase	Expected Salary Increase	Proposed Salary Increase[2]
0	4,469	320,759	358,851	356,042	11.88%	11.00%	11.50%
1	2,059	158,327	173,720	173,368	9.72%	9.50%	9.50%
2	1,785	144,458	157,053	156,014	8.72%	8.00%	8.25%
3	1,748	149,019	161,392	160,195	8.30%	7.50%	8.00%
4	1,580	141,807	152,653	151,734	7.65%	7.00%	7.25%
5	1,425	133,758	142,435	141,784	6.49%	6.00%	6.25%
6	1,359	130,162	137,515	136,670	5.65%	5.00%	5.25%
7	1,305	127,405	134,087	132,501	5.24%	4.00%	4.50%
8	1,230	121,555	128,027	126,418	5.32%	4.00%	4.50%
9	1,009	101,138	106,515	105,184	5.32%	4.00%	4.50%
10	795	80,208	84,370	83,416	5.19%	4.00%	4.50%
11	679	67,259	70,712	69,950	5.13%	4.00%	4.50%
12	842	82,924	87,095	86,034	5.03%	3.75%	4.25%
13	1,184	118,258	124,589	122,693	5.35%	3.75%	4.25%
14	1,390	143,421	150,716	148,799	5.09%	3.75%	4.25%
15	1,450	152,057	159,546	157,760	4.93%	3.75%	4.25%
16	1,351	143,598	151,233	148,983	5.32%	3.75%	4.25%
17	1,276	137,355	144,399	142,505	5.13%	3.75%	4.25%
18	1,171	127,515	134,177	132,297	5.22%	3.75%	4.25%
19	1,075	118,843	124,754	123,300	4.97%	3.75%	4.25%
20	1,094	122,455	128,397	127,047	4.85%	3.75%	4.25%
21	1,049	118,899	124,779	123,358	4.95%	3.75%	4.25%
22	934	108,088	113,437	112,141	4.95%	3.75%	4.25%
23	813	95,693	100,317	99,281	4.83%	3.75%	4.25%
24	640	77,330	81,147	80,230	4.94%	3.75%	4.25%
25	496	60,634	63,674	62,908	5.01%	3.75%	4.25%
26	354	43,502	45,650	45,133	4.94%	3.75%	4.25%
27	233	29,343	30,769	30,443	4.86%	3.75%	4.25%
28	132	16,707	17,516	17,333	4.84%	3.75%	4.25%
29	61	7,799	8,237	8,092	5.62%	3.75%	4.25%
30+	161	22,337	23,276	23,119	4.20%	3.50%	3.75%
Total	**35,149**	**3,402,613**	**3,621,038**	**3,584,732**	**6.42%**	**5.35%**	**5.79%**

[1] All salary figures are shown as $1,000's.
[2] Inclusive of 2.50% inflation assumption.


Average Salary Increases
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
Average Salary Increase
1
6
11
16
21
26
Member Service
Actual Salary Increase
Expected Salary Increase
Proposed Salary Increase

PAYROLL GROWTH

The payroll growth assumption is used as part of the unfunded liability amortization calculation, allowing for the amortization rate to remain level as a percentage of payroll over time, assuming all assumptions are met. This is different from the salary increase assumption, since it is looking at the payroll for the entire membership, rather than any individual member. Total payroll growth includes an inflationary component and an additional increase for productivity gains.

CURRENT ASSUMPTION

Currently, the valuation assumes that payroll will increase 3.00% each year.

EXPERIENCE AND RECOMMENDATION

We reviewed the payroll increases for each plan over the study period (2021 - 2024). In addition, we considered the payroll increases from the prior two experience study periods (2012 – 2016 and 2017 - 2020). The results of this review are summarized below.

	Total Wage Inflation	Inflation	Productivity
2012-2016	2.46%	1.32%	1.14%
2017-2020	2.45%	1.83%	0.62%
2021-2024	4.71%	5.00%	-0.29%
Current Assumption	3.00%	2.50%	0.50%
Proposed Assumption	3.00%	2.50%	0.50%

We recommend the continued use of a 3.00% payroll growth assumption. The Board should consider modifying this assumption for each individual fund based on their specific experience. The experience can vary dramatically from one fund to another, so it is difficult to provide a one size fits all payroll growth assumption. While the payroll may grow at 3% or 4% each year in some places, it might remain flat in other locations. If a fund with little or no growth in payroll uses a 3.00% assumption, their contribution will continue to become a much larger percentage of the total future payroll and potentially make it difficult for the municipality to keep up with the growth in future contribution requirements.

An alternate approach would be to use the average growth in payroll over a specified period, for example over 10 years. This approach is used in some other states to help better align the assumption used by each fund with the reality of their situation. Under this approach, the funds with little or no payroll growth would use a smaller payroll growth assumption, resulting in an increase to their actuarial required contribution.

REVIEW OF DEMOGRAPHIC ASSUMPTIONS

ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*, provides guidance to actuaries in selecting (including giving advice on selecting) demographic and other noneconomic assumptions for measuring obligations under defined benefit pension plans.

Over the following pages, the following demographic assumptions will be reviewed:

- Retirement Rates
- Withdrawal/Termination Rates
- Disability Incidence Rates
- Mortality Rates
- Other Demographic Assumptions

Generally, demographic assumptions are based on actual plan experience with additional considerations for current trends. ASOP No. 35 states "the actuary should use professional judgment to estimate possible future outcomes based on past experience and future expectations, and select assumptions based upon application of that professional judgment." ASOP No. 35 also states that "a reasonable assumption is one that is expected to appropriately model the contingency being measured and is not anticipated to produce significant cumulative actuarial gains or losses…the actuary should not give undue weight to past experience when selecting demographic assumptions."

Demographic assumptions generally remain consistent over time, absent significant changes in plan provisions or economic conditions. Therefore, the best true indicator of future experience is often past experience. For each assumption, the study compares actual experience for that time period to assumptions used in the valuations.

Note that actuarial assumptions reflect average experience over long periods of time. A change in actuarial assumptions generally results when experience over a period of years indicates a consistent pattern. Proposed changes to the demographic assumptions are made to better reflect actual plan experience over the studied time period. The proposed changes also meet the objective of developing costs that are stable, predictable, and represent the best estimate of anticipated future experience.

RETIREMENT RATES

Retirement rates represent the probability that a member will retire at a given age and/or service level if they have attained the eligibility requirements. Higher rates of retirement at earlier ages generally result in higher costs to the plan but may be offset by the impacts of actuarially equivalent early retirement reductions.

The current retirement eligibility requirements are as follows.

Tier	Normal Retirement	Early Retirement
Tier 1	Age 50 and 20 years of Credited Service	Age 60 and 8 years of Credited Service
Tier 2	Age 55 and 10 years of Credited Service	Age 50 and 10 years of Credited Service

EXPERIENCE AND PROPOSED ASSUMPTIONS

The chart and graph on the following pages illustrate the actual retirement experience over the last three years. The rates illustrated are unisex and represent the probability of retirement, given the member had met the eligibility requirements. If the member did not meet the eligibility requirements at a given age, the member's exposure was excluded for that age. Because the Tier 2 experience for the study period includes only a handful of exposures (members eligible to retire), the experience was not split between Tiers.

The current retirement rate assumption reflects age-related rates that vary by benefit Tier. Given the different benefit structures and retirement eligibilities, it is reasonable to assume that retirement patterns will vary between the two groups. Tier 2 members are assumed to retire at lower rates from age 50 to age 54 because benefits payable at those ages are reduced to reflect earlier payment.

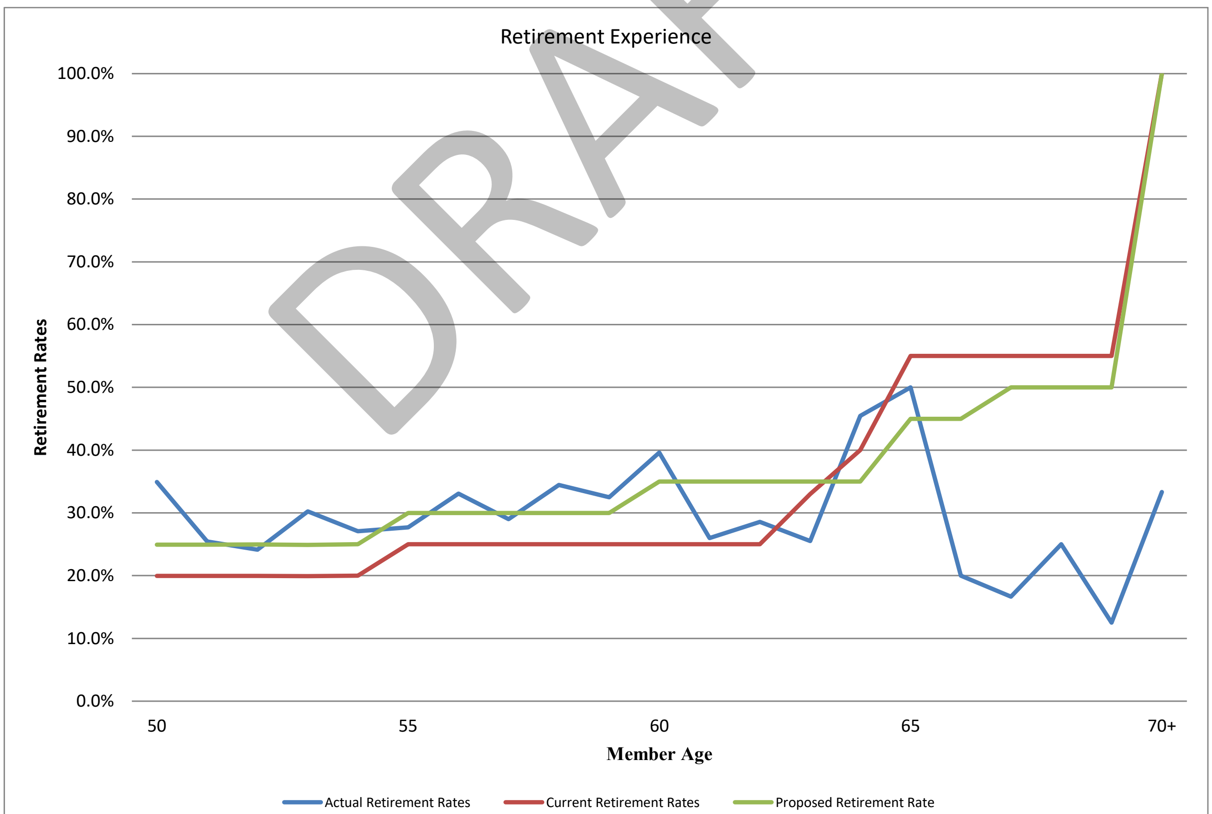
In general, actual retirement rates were heavier than expected for most ages. The proposed rates reflect slight increases prior to age 64.

Currently, there is proposed legislation that would eliminate the early retirement reduction for Tier 2 members that reach age 52 with 20 years of service. If this legislation passes, the Tier 1 retirement assumption will be used for Tier 2 members who are able to retire prior to age 55 without a reduction.

The actual, expected, and proposed retirement rates by age are displayed in the following table. Following the table is a graph which provides a visual representation of the actual and proposed retirement rates compared to the current assumptions.

Illinois Police Officers' Pension Investment Fund
2021 - 2024 Retirement Experience

Age	Eligible Members	Actual Retirements	Expected Retirements Current Rates	Expected Retirements Proposed Rates	Actual Retirement Rates	Expected Current Rates Tier 1	Expected Current Rates Tier 2	Actual / Expected	Proposed Rates Tier 1	Proposed Rates Tier 2
50	1,438	502	287	359	34.9%	20%	5%	1.750	25.0%	5.0%
51	735	187	147	183	25.4%	20%	5%	1.275	25.0%	5.0%
52	655	158	131	164	24.1%	20%	5%	1.207	25.0%	5.0%
53	526	159	105	131	30.2%	20%	5%	1.518	25.0%	5.0%
54	384	104	77	96	27.1%	20%	5%	1.354	25.0%	5.0%
55	289	80	72	87	27.7%	25%	40%	1.107	30.0%	40.0%
56	242	80	61	73	33.1%	25%	25%	1.322	30.0%	30.0%
57	169	49	42	51	29.0%	25%	25%	1.160	30.0%	30.0%
58	148	51	37	44	34.5%	25%	25%	1.378	30.0%	30.0%
59	117	38	29	35	32.5%	25%	25%	1.299	30.0%	30.0%
60	106	42	27	37	39.6%	25%	25%	1.585	35.0%	35.0%
61	77	20	19	27	26.0%	25%	25%	1.039	35.0%	35.0%
62	56	16	14	20	28.6%	25%	25%	1.143	35.0%	35.0%
63	47	12	16	16	25.5%	33%	33%	0.774	35.0%	35.0%
64	33	15	13	12	45.5%	40%	40%	1.136	35.0%	35.0%
65	20	10	11	9	50.0%	55%	55%	0.909	45.0%	45.0%
66	10	2	6	5	20.0%	55%	55%	0.364	45.0%	45.0%
67	6	1	3	3	16.7%	55%	55%	0.303	50.0%	50.0%
68	8	2	4	4	25.0%	55%	55%	0.455	50.0%	50.0%
69	8	1	4	4	12.5%	55%	55%	0.227	50.0%	50.0%
70+	12	4	12	12	33.3%	100%	100%	0.333	100.0%	100.0%
Total	**5,086**	**1,533**	**1,116**	**1,370**	**30.1%**	**21.8%**	**29.2%**	**1.373**	**26.8%**	**33.2%**



TERMINATION RATES

The termination rate is the probability that a member will separate employment from a cause other than disability, death, or retirement.

Members who terminate before earning 8 years (10 years for Tier 2 members) of service are eligible for a refund of member contributions. Members who terminate after earning 8 (10) years are eligible to receive a deferred vested retirement benefit upon reaching the age-requirements for retirement.

CURRENT ASSUMPTION

The current termination assumption is a service-based table with rates starting at 13.00% and grading to 1.25% by 14 years of service.

EXPERIENCE AND PROPOSED ASSUMPTIONS

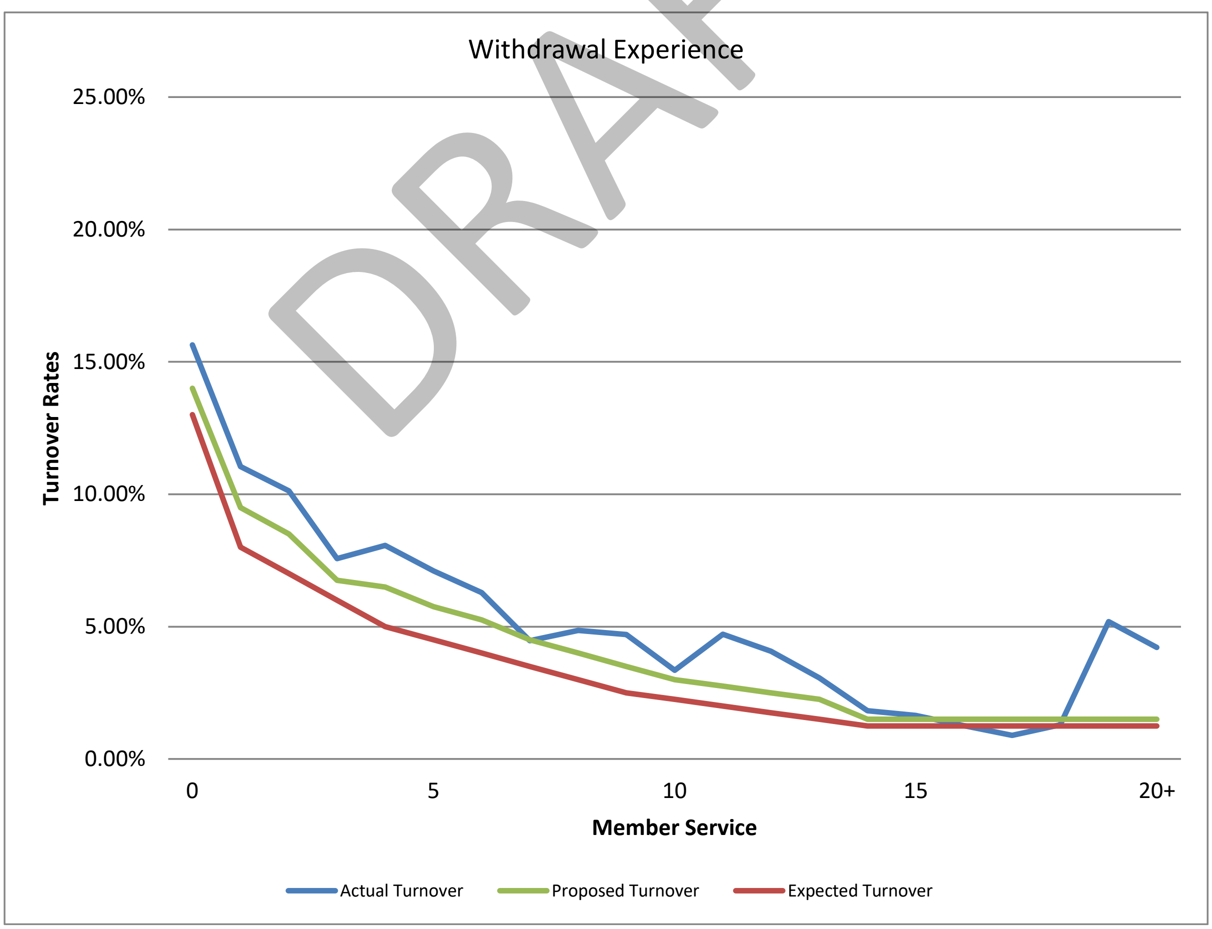
All active members during the observation period were included in the exposures unless the member had met the retirement eligibility requirements. If a member was eligible for retirement at a given age, the member's exposure was excluded for that age. Because the Tier 2 experience for the study period includes only a handful of exposures for members who complete more than 12 years of service while the Tier 1 experience for the study period includes only a handful of exposures for members with less than 10 years of service, the experience was not split between tiers.

Actual termination rates were higher than expected in total. The fund did experience termination after 20 years of service. We recommend increasing the rates prior to completing 15 years of service.

The actual, expected, and proposed termination rates by age are provided on the following page. Following the table is a graph which provides a visual representation of the actual and proposed withdrawal rates compared to the current assumption.

Illinois Police Officers' Pension Investment Fund
2021 - 2024 Termination Experience

Service	Eligible Members	Eligible Tier 1	Eligible Tier 2	Actual Terminations	Expected Terminations Current Rates	Expected Terminations Proposed Rates	Actual Termination Rates	Expected Termination Rates	Actual / Expected	Proposed Rates
0	3,778	0	3,778	591	491	529	15.64%	13.00%	1.203	14.00%
1	2,670	0	2,670	295	214	254	11.05%	8.00%	1.381	9.50%
2	2,113	0	2,113	214	148	180	10.13%	7.00%	1.447	8.50%
3	1,877	1	1,876	142	113	127	7.57%	6.00%	1.261	6.75%
4	1,821	2	1,819	147	91	118	8.07%	5.00%	1.614	6.50%
5	1,563	1	1,562	111	70	90	7.10%	4.50%	1.578	5.75%
6	1,464	3	1,461	92	59	77	6.28%	4.00%	1.571	5.25%
7	1,411	2	1,409	63	49	64	4.46%	3.50%	1.276	4.50%
8	1,378	1	1,377	67	41	55	4.86%	3.00%	1.621	4.00%
9	1,171	10	1,161	55	29	41	4.70%	2.50%	1.879	3.50%
10	924	87	837	31	21	28	3.35%	2.25%	1.491	3.00%
11	742	311	431	35	15	20	4.72%	2.00%	2.358	2.75%
12	737	581	156	30	13	18	4.07%	1.75%	2.326	2.50%
13	1,045	1,038	7	32	16	24	3.06%	1.50%	2.041	2.25%
14	1,317	1,313	4	24	16	20	1.82%	1.25%	1.458	1.50%
15	1,518	1,514	4	25	19	23	1.65%	1.25%	1.318	1.50%
16	1,427	1,426	1	18	18	21	1.26%	1.25%	1.009	1.50%
17	1,339	1,339	0	12	17	20	0.90%	1.25%	0.717	1.50%
18	1,242	1,242	0	16	16	19	1.29%	1.25%	1.031	1.50%
19	886	886	0	46	11	13	5.19%	1.25%	4.153	1.50%
20+	3,557	3,555	2	150	44	53	4.22%	1.25%	3.374	1.50%
Total	**33,980**	**13,312**	**20,668**	**2,196**	**1,510**	**1,793**	**6.46%**	**4.45%**	**1.454**	**5.28%**



DISABILITY INCIDENCE RATES

The disability incidence assumption is the probability that a member will become disabled while actively participating in the plan. A review of past experience compared to the current assumption will provide the basis for examining the assumption.

The overall cost due to disability depends on the plan's disability provisions. For Article 3 members, the benefits for separating due to disability can be more valuable than retirement benefits. It is possible that an active member, who is already eligible to retire, becomes disabled and is entitled to receive a larger immediate benefit than if he or she had retired.

It is also important to note that the level of disability benefits received depends on whether the disability was service-related or non-service-related. To be eligible for non-service-related disability benefits, a member must have earned seven years of service, whereas members are eligible for service-related disability benefits immediately upon disability. Therefore, an additional assumption for the proportion of disablements that are service-related is necessary.

CURRENT ASSUMPTION

The current disability incidence assumption is a unisex age-related table. Currently, 60% of disabilities are assumed to be service-related.

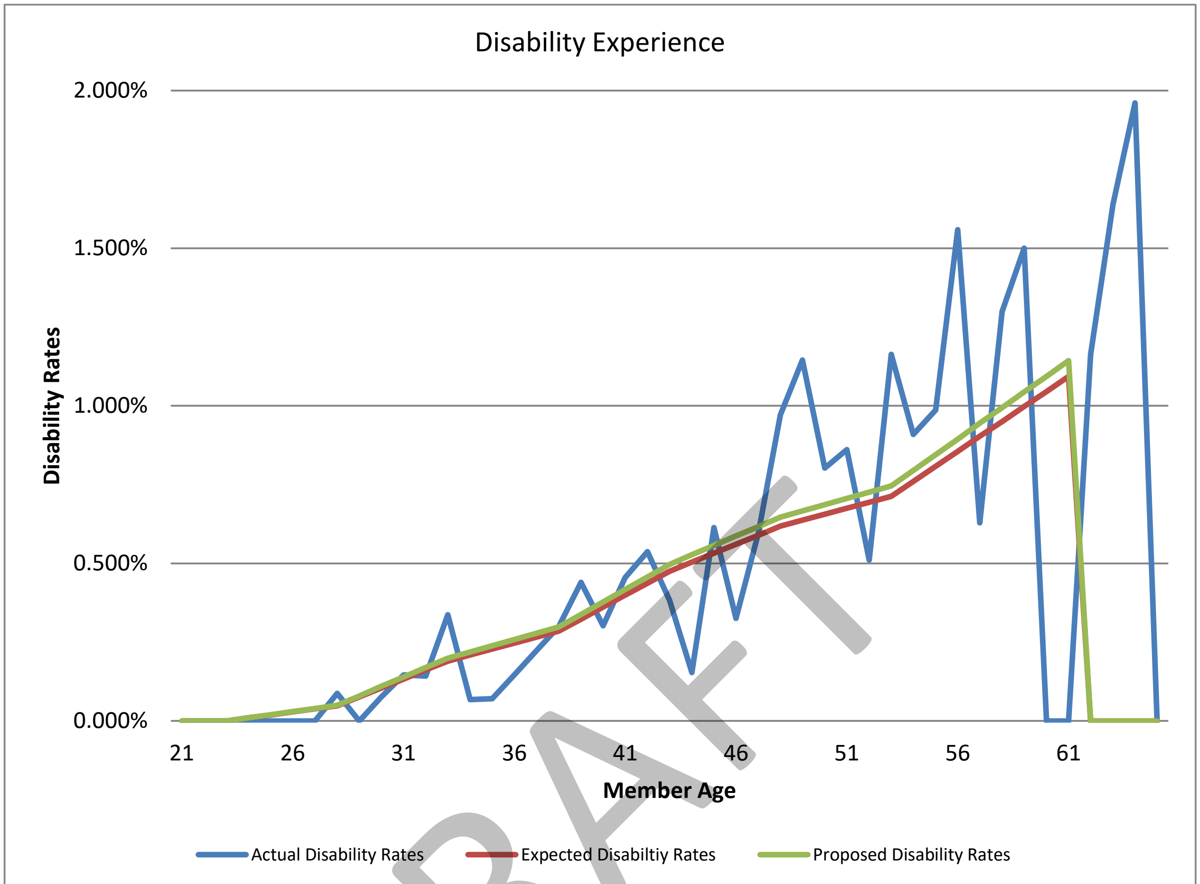
EXPERIENCE AND PROPOSED ASSUMPTIONS

In total, over the studied period, there were more disablements than assumed. For some ages, the actual rate was higher than expected and for other ages, the actual rate was lower. We propose adjusting the current table of rates by a factor of 1.046 (increasing rates by 4.6%).

We also reviewed the incidence of service-related disabilities versus non-service-related disabilities. Approximately 76% of the disabilities were service-related. We propose increasing the current 60% assumption to 70% of disabilities are assumed to be service-related.

The actual, expected, and proposed rates of disability are provided in the following table. Following the table is a graph which provides a visual representation of the actual and proposed disability rates compared to the current assumption.

Illinois Police Officers' Pension Investment Fund 2021 - 2024 Disability Experience								
Age	Exposures	Actual Disabilities	Expected Disabilities Current Rates	Proposed Disabilities	Actual Disability Rates	Expected Disability Rates	Actual / Expected	Proposed Disability Rates
20	0	0	0.0	0	0.000%	0.000%	0.000	0.000%
21	21	0	0.0	0	0.000%	0.000%	0.000	0.000%
22	154	0	0.0	0	0.000%	0.000%	0.000	0.000%
23	401	0	0.0	0	0.000%	0.010%	0.000	0.010%
24	634	0	0.1	0	0.000%	0.019%	0.000	0.020%
25	768	0	0.2	0	0.000%	0.029%	0.000	0.030%
26	937	0	0.4	0	0.000%	0.038%	0.000	0.040%
27	1,137	1	0.6	1	0.088%	0.048%	1.833	0.050%
28	1,263	0	1.0	1	0.000%	0.076%	0.000	0.079%
29	1,319	1	1.4	1	0.076%	0.105%	0.722	0.110%
30	1,372	2	1.8	2	0.146%	0.133%	1.096	0.139%
31	1,409	2	2.3	2	0.142%	0.162%	0.876	0.169%
32	1,483	5	2.8	3	0.337%	0.190%	1.775	0.199%
33	1,474	1	3.1	3	0.068%	0.209%	0.324	0.219%
34	1,424	1	3.3	3	0.070%	0.228%	0.308	0.238%
35	1,358	2	3.4	4	0.147%	0.247%	0.596	0.258%
36	1,339	3	3.6	4	0.224%	0.266%	0.842	0.278%
37	1,337	4	3.8	4	0.299%	0.285%	1.050	0.298%
38	1,364	6	4.4	5	0.440%	0.323%	1.362	0.338%
39	1,326	4	4.8	5	0.302%	0.361%	0.836	0.378%
40	1,318	6	5.3	6	0.455%	0.399%	1.141	0.417%
41	1,304	7	5.7	6	0.537%	0.437%	1.228	0.457%
42	1,304	5	6.2	6	0.383%	0.475%	0.807	0.497%
43	1,305	2	6.6	7	0.153%	0.504%	0.304	0.527%
44	1,304	8	6.9	7	0.614%	0.532%	1.153	0.556%
45	1,230	4	6.9	7	0.325%	0.561%	0.580	0.587%
46	1,176	7	6.9	7	0.595%	0.589%	1.011	0.616%
47	1,132	11	7.0	7	0.972%	0.618%	1.572	0.646%
48	1,223	14	7.8	8	1.145%	0.637%	1.797	0.666%
49	1,247	10	8.2	9	0.802%	0.656%	1.222	0.686%
50	1,278	11	8.6	9	0.861%	0.675%	1.275	0.706%
51	980	5	6.8	7	0.510%	0.694%	0.735	0.726%
52	860	10	6.1	6	1.163%	0.713%	1.631	0.746%
53	660	6	5.0	5	0.909%	0.760%	1.196	0.795%
54	507	5	4.1	4	0.986%	0.808%	1.221	0.845%
55	385	6	3.3	3	1.558%	0.855%	1.823	0.894%
56	318	2	2.9	3	0.629%	0.903%	0.696	0.945%
57	231	3	2.2	2	1.299%	0.950%	1.367	0.994%
58	200	3	2.0	2	1.500%	0.998%	1.503	1.044%
59	150	0	1.6	2	0.000%	1.045%	0.000	1.093%
60	121	0	1.3	1	0.000%	1.093%	0.000	1.143%
61	86	1	0.0	0	1.163%	0.000%	0.000	0.000%
62	61	1	0.0	0	1.639%	0.000%	0.000	0.000%
63	51	1	0.0	0	1.961%	0.000%	0.000	0.000%
64	39	0	0.0	0	0.000%	0.000%	0.000	0.000%
65+	76	2	0.0	0	2.632%	0.000%	0.000	0.000%
Total	**39,066**	**162**	**148.2**	**155**	**0.415%**	**0.379%**	**1.093**	**0.397%**


Disability Experience
2.000%
1.500%
1.000%
0.500%
0.000%
Disability Rates
21
26
31
36
41
46
51
56
61
Member Age
Actual Disability Rates
Expected Disabiltiy Rates
Proposed Disability Rates

MORTALITY RATES

A plan's normal cost and actuarial accrued liability depend in part on how long retirees will live. If retirees live longer than anticipated by the assumptions, benefits will be paid longer than expected and experience losses will develop. If retirees do not live as long as anticipated by the assumptions, experience gains will develop. Mortality rates represent the probability of death at a given age. The choice of mortality rates impacts active member and retiree costs and liabilities and has the greatest impact on the liabilities for retirees.

The actuarial profession has increasingly become more focused on the issue of future mortality improvement. Mortality rates have declined over time as advances in medical care have evolved. The extent of future mortality improvement will impact the magnitude of pension costs and liabilities for future benefit commitments. ASOP No. 35 discusses the importance of actuaries considering mortality improvements when measuring pension obligations. Specifically, an actuary should make and disclose a specific recommendation with respect to future mortality improvement after the measurement date. Mortality improvement can be accounted for with static or generational mortality tables. A static table includes a projection of the base mortality rates to a specific date or equivalently for a specific number of years. The same mortality rates at any given age apply to everyone. A generational table anticipates future improvements in mortality by using a different static mortality table for each year of birth, with the tables for later years of birth assuming lower mortality than the tables of earlier years of birth.

Our analysis employs a credibility procedure which uses a statistical approach to combine actual mortality experience with standard mortality tables to improve the estimate of future mortality.

CURRENT ASSUMPTION

Active Lives: Pub-2010 Public Safety Employee mortality table with generational mortality improvement using scale MP-2021.

Healthy Retiree Lives: Pub-2010 Public Safety Healthy Retiree mortality table with male rates increased by 15.0% and generational mortality improvement using scale MP-2021.

Survivors:Pub-2010 Public Safety Survivor mortality table with female rates increased by 15.0% and generational mortality improvement using scale MP-2021.

Disabled Lives: Pub-2010 Public Safety Disabled Retiree mortality table with male rates increased by 8.0% and generational mortality improvement using scale MP-2021.

STANDARD MORTALITY TABLES

In 2019, the Society of Actuaries (SOA) released its report of a comprehensive study of public sector mortality experience. Included in this report are gender-specific mortality tables for Public Safety employees, including separate tables for active members, retirees, disabled members and Contingent Survivor tables for beneficiaries. These tables are collectively named the Pub-2010 Mortality Tables and are currently being used, with adjustments noted above.

In preparing this study, we compared the Article 3 funds' actual plan experience to the current assumption and to the applicable Pub-2010 Mortality Tables, which remain the most current tables for public pension plan experience.

For a plan to develop a mortality table based solely on its own experience, it must have hundreds of thousands of lives and thousands of deaths at each age and gender. However, many plans provide enough fully credible experience to develop a custom mortality table by multiplying the mortality rates in a published table by the ratio of actual to expected deaths. We employed this methodology by first identifying a standard table with mortality rates that are similar to those experienced by the actual plan membership. Since the rate at each age in the custom mortality table will be a multiple of the rate at that age from the standard table, close attention was given to the shape of the standard table in making the selection.

Once the appropriate standard table was selected, we determined the multiple using the limited fluctuation approach to credibility, as described in the Society of Actuaries Credibility Educational Resource for Pension Actuaries, issued in August 2017. Using this approach, 1082 deaths are needed to provide full credibility based on a 90% confidence level and a 5% margin of error. If the experience data is fully credible, then the rates from the standard table are multiplied by the ratio of the actual to expected deaths from the standard table. Where there are fewer than the 1,082 deaths needed for full credibility, the limited fluctuations approach allows some of the plan's actual experience to be used to adjust the standard table.

EXPERIENCE AND RECOMMENDED ASSUMPTIONS

Active Members

The low number of active public safety member deaths results in an insufficient number of deaths needed to provide fully credible experience on which to develop the appropriate mortality rates. With only 26 total active deaths over the studied period, we found that experience was only about 15.5% credible.

In selecting a standard table, we considered the Pub-2010 Public Safety Employee table for males and females. We found that this table provided a reasonable match to the experience pattern of current active members for both males and females. We recommend no change to the current assumption which is the Pub-2010 Public Safety Employee tables for males and females, with no adjustment.

Public Safety Retirees and Survivors

Using the credibility approach described above, we determined that the mortality experience was 72.2% credible for male retirees and 52.9% credible for female survivors. There was not sufficient experience for female retirees or male survivors to be considered credible.

We compared the experience to the Pub-2010 Public Safety Healthy Retiree and Pub-2010 Public Safety Survivor tables. These tables provided a reasonable fit to the actual experience. Given the partial credibility of the actual experience, an adjustment to these tables based on our findings is warranted. This analysis yielded adjustment factors of 1.085 for male retirees, which is lower than the current factor of 1.15, and 1.155 for female survivors, which is slightly higher than the current factor of 1.15.

However, a review of mortality rates by specific year revealed a notable increase in the first year of the study period, followed by a reduction in the next two years during the study period. We believe this pattern is at least partially attributable to the COVID-19 pandemic. Due to this potential anomaly, the recent data may not accurately represent future expectations. Therefore, we recommend no change to the current mortality assumption for male and female retirees and survivors.

Disability Retiree Mortality

Mortality rates among disability retirees are typically elevated compared to those of regular retirees. Our credibility analysis, based on 90 male deaths and 3 female deaths, yielded a 28.8% credibility for male experience and 5.3% for female experience.

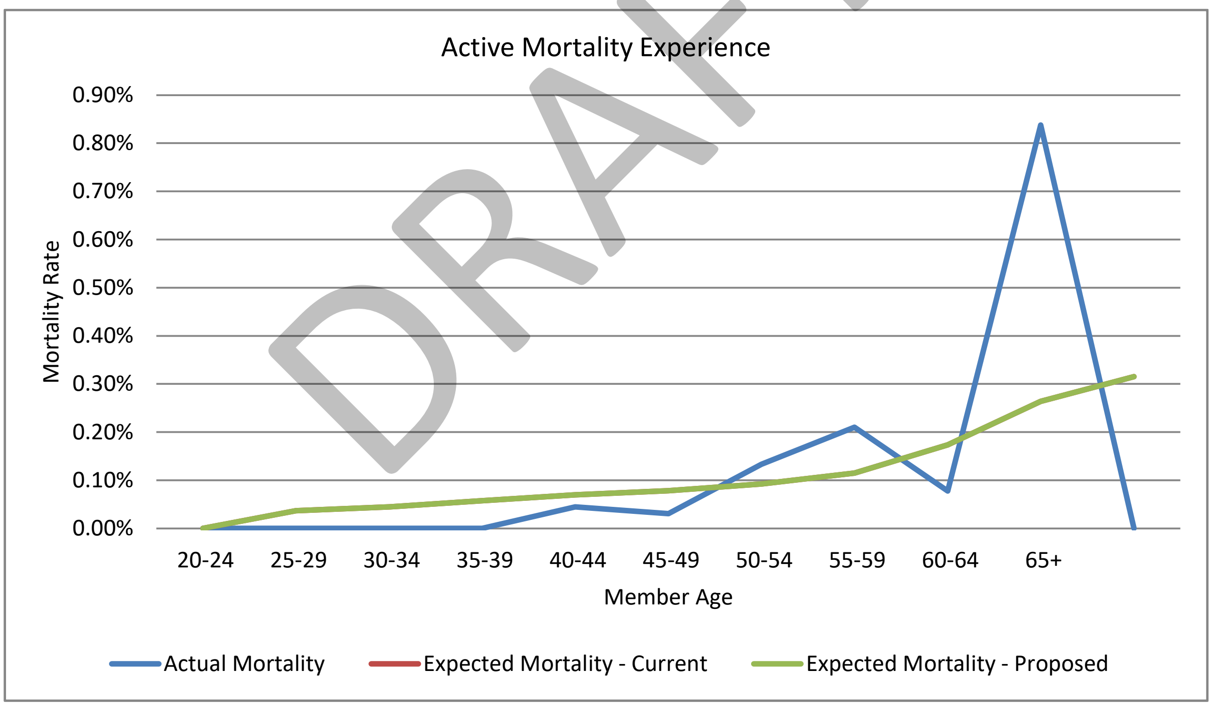
Although the actual mortality experience for disabled retirees was demonstrably heavier than that suggested by the standard Public table, and our limited fluctuation approach supported adjusting the Pub-2010 Disabled Retiree mortality table (specifically, a factor of 1.277 for male rates and 0.991 for female rates), a critical observation emerged. We identified a similar anomalous pattern in annual mortality rates, consistent with our findings for regular retirees and survivors. Consequently, we recommend no modification to the current assumption for male and female disability retirees.

Future Mortality Improvement

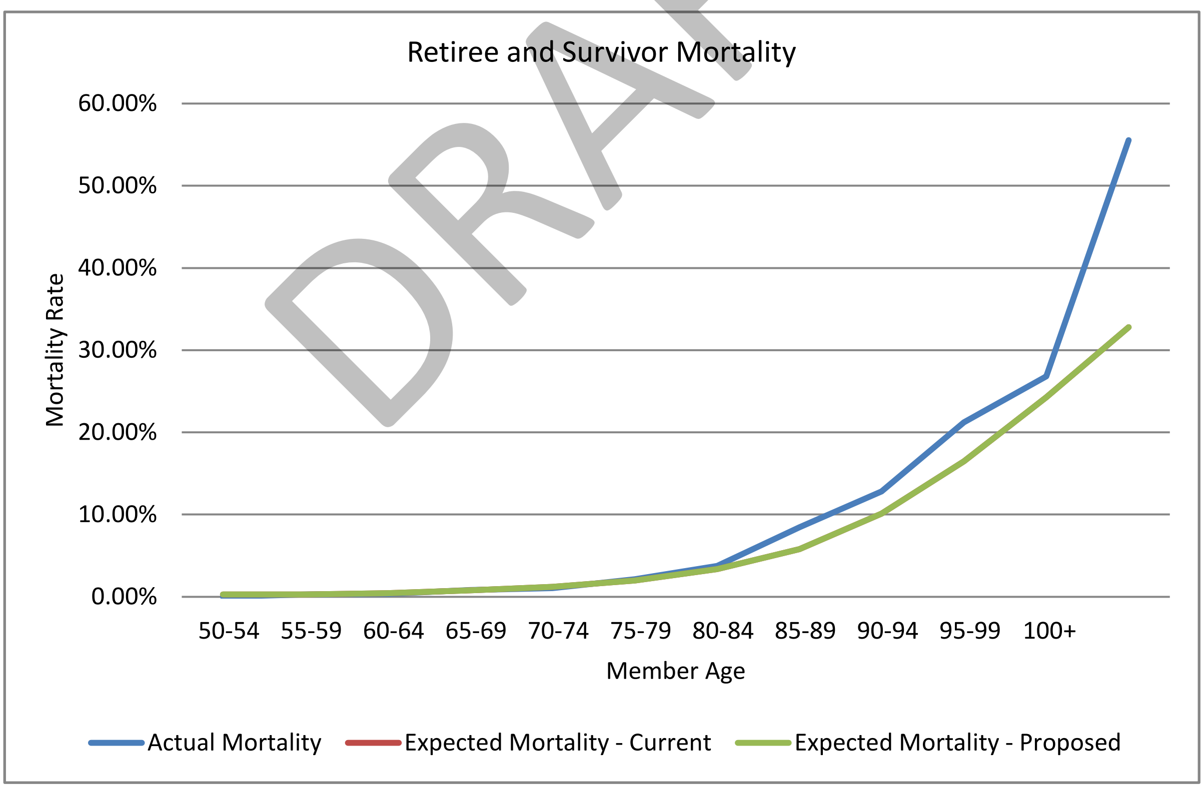
Currently, the mortality tables reflect generational improvements using Scale MP-2021. We continued use of the generational improvements. Generally, the MP scales are updated each year to reflect actual mortality improvements. However, the Society of Actuaries has not issued a new scale since MP-2021 due to the effects of COVID-19. We recommend continuing the use of Scale MP-2021 until a new scale is released and an automatic adoption of new scales once they are released.

The actual, expected, and proposed mortality rates for active members, healthy retirees and survivors, and disabled members are provided on the following tables. Following the tables are graphs which provide a visual representation of the actual and proposed mortality rates compared to the current assumptions.

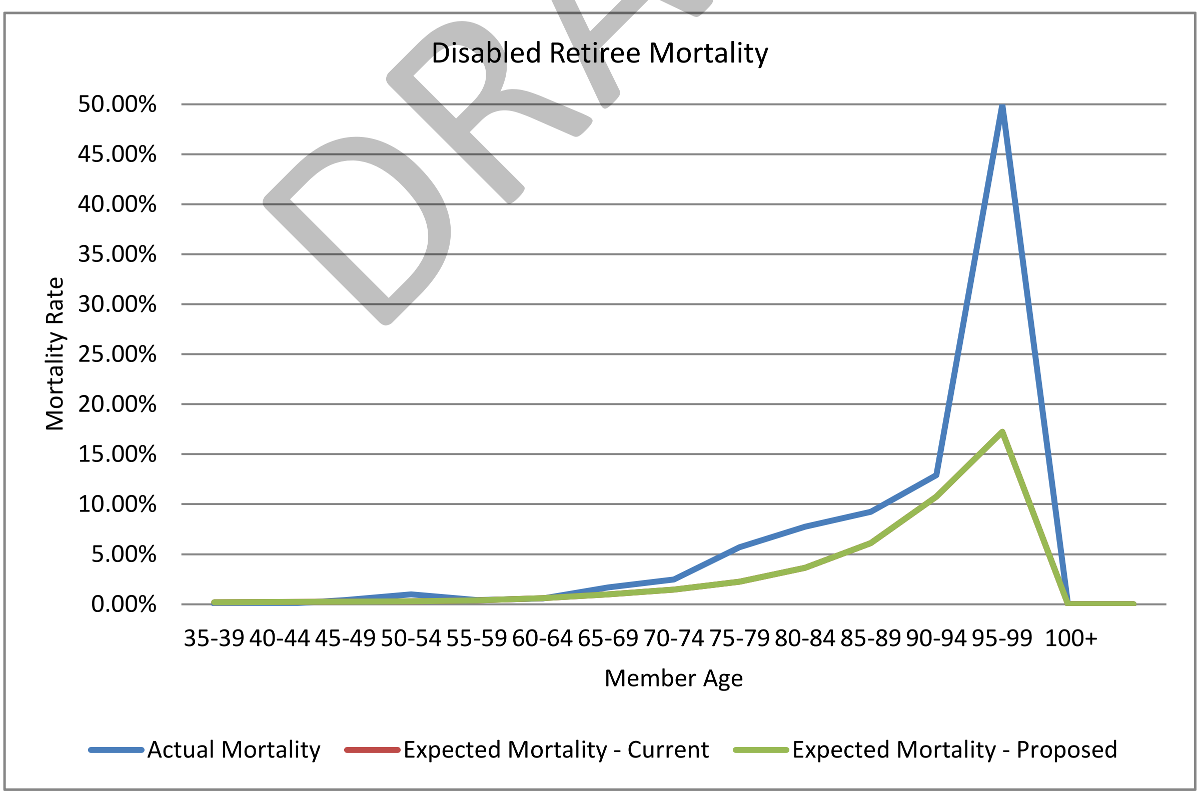
Illinois Police Officers' Pension Investment Fund 2021 - 2024 Mortality Experience Active Members						
Age	Exposures	Actual Deaths	Expected Deaths	Actual Mortality Rates	Expected Mortality Rates	Proposed Mortality Rates
<20	0	0	0	0.00%	0.00%	0.00%
20-24	1,210	0	0	0.00%	0.04%	0.04%
25-29	5,424	0	2	0.00%	0.04%	0.04%
30-34	7,162	0	4	0.00%	0.06%	0.06%
35-39	6,724	3	5	0.04%	0.07%	0.07%
40-44	6,535	2	5	0.03%	0.08%	0.08%
45-49	6,008	8	6	0.13%	0.09%	0.09%
50-54	4,285	9	5	0.21%	0.11%	0.11%
55-59	1,284	1	2	0.08%	0.17%	0.17%
60-64	358	3	1	0.84%	0.26%	0.26%
65+	76	0	0	0.00%	0.32%	0.32%
Total	**39,066**	**26**	**31**	**0.07%**	**0.08%**	**0.08%**



Illinois Police Officers' Pension Investment Fund 2021 - 2024 Mortality Experience Retirees and Survivors						
Age	**Exposures**	**Actual Deaths**	**Expected Deaths**	**Actual Mortality Rates**	**Expected Mortality Rates**	**Proposed Mortality Rates**
<50	141	0	0	0.00%	0.26%	0.26%
50-54	4,318	12	11	0.28%	0.26%	0.26%
55-59	5,590	20	24	0.36%	0.43%	0.43%
60-64	5,112	42	39	0.82%	0.76%	0.76%
65-69	5,634	59	69	1.05%	1.22%	1.22%
70-74	5,447	115	108	2.11%	1.98%	1.98%
75-79	3,938	147	132	3.73%	3.36%	3.36%
80-84	2,321	196	135	8.44%	5.81%	5.81%
85-89	1,201	154	121	12.82%	10.11%	10.11%
90-94	457	97	75	21.23%	16.47%	16.47%
95-99	138	37	34	26.81%	24.28%	24.28%
100+	9	5	3	55.56%	32.78%	32.78%
Total	**34,306**	**884**	**751**	**2.58%**	**2.19%**	**2.19%**



Illinois Police Officers' Pension Investment Fund 2021 - 2024 Mortality Experience Disabled Retirees						
Age	Exposures	Actual Deaths	Expected Deaths	Actual Mortality Rates	Expected Mortality Rates	Proposed Mortality Rates
<35	46	0	0	0.00%	0.20%	0.20%
35-39	102	0	0	0.00%	0.24%	0.24%
40-44	250	1	1	0.40%	0.25%	0.25%
45-49	501	5	1	1.00%	0.30%	0.30%
50-54	725	3	3	0.41%	0.39%	0.39%
55-59	689	4	4	0.58%	0.60%	0.60%
60-64	540	9	5	1.67%	0.98%	0.98%
65-69	527	13	8	2.47%	1.46%	1.46%
70-74	473	27	11	5.71%	2.25%	2.25%
75-79	245	19	9	7.76%	3.64%	3.64%
80-84	65	6	4	9.23%	6.12%	6.12%
85-89	31	4	3	12.90%	10.77%	10.77%
90-94	4	2	1	50.00%	17.25%	17.25%
95-99	0	0	0	0.00%	0.00%	0.00%
100+	0	0	0	0.00%	0.00%	0.00%
Total	**4,198**	**93**	**50**	**2.22%**	**1.19%**	**1.19%**



OTHER DEMOGRAPHIC ASSUMPTIONS

Dependent/minor children: The funds do provide temporary dependent/minor child benefits. However, because the benefits are immaterial, no assumptions are made regarding dependent minor children.

Spouse's age: Male spouses are assumed to be 3 years older. Correspondingly, female spouses are assumed to be three years younger. Based on available spousal data for current retirees, male spouses are about 2.4 years older than the female retiree, and female spouses are about 2.6 years younger than the male retiree. about 1% have same sex spouses. We recommend no change to this assumption.

Marital status: The current valuation assumes that 80% of active members are married. This statistic is used to determine the probability that spousal benefits will be payable in the event of an active member's death. Based on the spousal data for current retirees, 81% of male members are married and 67% of female retirees are married. Because the current retiree population has a limited number of female retirees, we recommend no change to the current 80% assumption for both males and females.

Duty-related deaths: Currently, 10% of active deaths are assumed to be in the line of duty. Given the small incidence of active deaths, we recommend no changes to this assumption.

Administrative expenses: The current assumption is a 2.0% load to the normal cost to account for administrative expenses. Based on Foster & Foster's experience with Article 3 funds, the administrative expenses are 4.6% of normal cost. We recommend increasing this assumption to 2.5%.

Recommended Assumptions

Interest Rate	6.80% per year compounded annually, net of investment related expenses.
Mortality Rate	***Actives:*** PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty. ***Inactives:*** PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.150 for male retirees and unadjusted for female retirees, with generational improvements with the most recent projection scale (currently Scale MP-2021). ***Beneficiaries:*** PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.150 for female beneficiaries, with generational improvements with the most recent projection scale (currently Scale MP-2021). ***Disableds:*** PubS-2010 Disabled mortality, adjusted by a factor of 1.080 for male disabled members and unadjusted for female disabled members, with generational improvements with the most recent projection scale (currently Scale MP-2021).
Retirement Age	See full tables at end of this section.
Disability Rate	See full tables at end of this section. 70% of the disabilities are assumed to be in the line of duty.
Termination Rate	See full tables at end of this section.

Salary Increases	See full tables at end of this section.
Inflation	2.50%.
Tier 2 Cost-of-Living Adjustment	1.25% per year after the later of attainment of age 60 or first anniversary of retirement. The increase is the lesser of 3.00% and one-half of the increase in CPI-U.
Marital Status	80% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Payroll Growth	3.00% per year.
Administrative Expenses	Administrative expenses will be estimated as 2.5% of the fund's total normal cost.

% Terminating During the Year	
Service	Rate
0	14.00%
1	9.50%
2	8.50%
3	6.75%
4	6.50%
5	5.75%
6	5.25%
7	4.50%
8	4.00%
9	3.50%
10	3.00%
11	2.75%
12	2.50%
13	2.25%
14+	1.50%

% Becoming Disabled During the Year	
Age	Rate
20	0.000%
21	0.000%
22	0.000%
23	0.010%
24	0.020%
25	0.030%
26	0.040%
27	0.050%
28	0.079%
29	0.110%
30	0.139%
31	0.169%
32	0.199%
33	0.219%
34	0.238%
35	0.258%
36	0.278%
37	0.298%
38	0.338%
39	0.378%
40	0.417%
41	0.457%
42	0.497%
43	0.527%
44	0.556%
45	0.587%
46	0.616%
47	0.646%
48	0.666%
49	0.686%
50	0.706%
51	0.726%
52	0.746%
53	0.795%
54	0.845%
55	0.894%
56	0.945%
57	0.994%
58	1.044%
59	1.093%
60	1.143%
61+	0.000%

% Retiring During Year			
Tier 1		Tier 2	
Age	Rate	Age	Rate
50-54	25.0%	50-54	5.0%
55-59	30.0%	55	40.0%
60-64	35.0%	56-59	30.0%
65-66	45.0%	60-64	35.0%
67-69	50.0%	65-66	45.0%
70+	100.00%	67-69	50.0%
		70+	100.00%

Salary Scale	
Service	Rate
0	11.50%
1	9.50%
2	8.25%
3	8.00%
4	7.25%
5	6.25%
6	5.25%
7-11	4.50%
12-29	4.25%
30+	3.75%

DOLTON POLICE PENSION FUND

	0. Before	1. Assumption Changes	Impact $	Impact %
FundNumber	3076	3076		
FundType	P	P		
ValuationDate	May 1, 2025	May 1, 2025		
Actives	33	33		
Retirees	33	33		
Beneficiaries	10	10		
Disabled Retirees	10	10		
Terminated Vesteds	3	3		
TVs - Refund	24	24		
Total Members	113	113		
TotalAnnualPayroll	3,029,526	3,029,526		
Percent Active	29%			
Assets				
AVA	35,594,426	35,594,426		
MVA	35,238,394	35,238,394		
Liabilities				
PVBTotal	61,665,010	61,873,691	208,681	0.34%
TotalAL	54,908,805	55,288,406	379,601	0.69%
NCTotal	780,003	804,123	24,120	3.09%
UAAL	19,314,379	19,693,980	379,601	1.97%
FundedRatio	64.8%	64.4%		-0.4%
Contribution				
NCinclExpenses	849,704	880,273	30,569	3.60%
AmortPayment	1,252,936	1,283,902	30,966	2.47%
TotalStatContrib	2,102,640	2,164,175	61,535	2.93%
ExpMemberContrib	(320,641)	(320,641)	-	0.00%
ERStatMinContrib_B4	1,781,999	1,843,534	61,535	3.45%

MT CARMEL POLICE PENSION FUND

	0. Before	1. Assumption Changes	Impact $	Impact %
FundNumber	3195	3195		
FundType	P	P		
ValuationDate	May 1, 2025	May 1, 2025		
Actives	13	13		
Retirees	7	7		
Beneficiaries	5	5		
Disabled Retirees	0	0		
Terminated Vesteds	1	1		
TVs - Refund	1	1		
Total Members	27	27		
TotalAnnualPayroll	724,626	724,626		
Percent Active	48%			
Assets				
AVA	4,631,614	4,631,614		
MVA	4,345,947	4,345,947		
Liabilities				
PVBTotal	10,339,629	10,457,451	117,822	1.14%
TotalAL	8,583,446	8,722,651	139,205	1.62%
NCTotal	166,725	173,771	7,046	4.23%
UAAL	3,951,832	4,091,037	139,205	3.52%
FundedRatio	54.0%	53.1%		-0.9%
Contribution				
NCinclExpenses	181,624	190,227	8,603	4.74%
AmortPayment	280,388	291,743	11,355	4.05%
TotalStatContrib	462,012	481,970	19,958	4.32%
ExpMemberContrib	(76,694)	(76,694)	-	0.00%
ERStatMinContrib_B4	385,318	405,276	19,958	5.18%

URBANA POLICE PENSION FUND

	0. Before	1. Assumption Changes	Impact $	Impact %
FundNumber	3294	3294		
FundType	P	P		
ValuationDate	July 1, 2025	July 1, 2025		
Actives	58	58		
Retirees	35	35		
Beneficiaries	14	14		
Disabled Retirees	13	13		
Terminated Vesteds	8	8		
TVs - Refund	6	6		
Total Members	134	134		
TotalAnnualPayroll	5,520,270	5,520,270		
Percent Active	43%			
Assets				
AVA	53,943,554	53,943,554		
MVA	56,265,472	56,265,472		
Liabilities				
PVBTotal	94,282,347	95,130,026	847,679	0.90%
TotalAL	80,310,471	81,473,034	1,162,563	1.45%
NCTotal	1,308,581	1,366,549	57,968	4.43%
UAAL	26,366,917	27,529,480	1,162,563	4.41%
FundedRatio	67.2%	66.2%		-1.0%
Contribution				
NCinclExpenses	1,425,516	1,495,961	70,445	4.94%
AmortPayment	1,661,930	1,756,765	94,835	5.71%
TotalStatContrib	3,087,446	3,252,726	165,280	5.35%
ExpMemberContrib	(584,259)	(584,259)	-	0.00%
ERStatMinContrib_B4	2,503,187	2,668,467	165,280	6.60%

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

POLICY AND PROCEDURE

POLICY NUMBER:	**PP-2025-01**
SUBJECT:	**ACTUARIAL VALUATION POLICY**
EFFECTIVE DATE:	**APRIL 14, 2025**
AMENDED:	**N/A**

INDEX:

A. PURPOSE:

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is charged with preparing the Actuarial Valuation Reports for the Article 3 Police Pension Funds. Administering this system includes establishing systematic funding for current and future benefits payments for the members of the Article 3 Police Pension Funds. In doing so, the Board of Trustees engages in the services of an actuary to assist in calculating the statutory minimum required contributions that will fully fund the pension liabilities for each municipality. In order for the actuary to perform the requested services, the Board must approve specific funding objectives, methods, and assumptions to be used in the actuarial valuation for the purpose of funding member benefits.

B. AUTHORITY:

1. The Illinois Police Officers' Pension Investment Fund was established under Article 22B of the Illinois Pension Code.
2. IPOPIF's statutory duty to provide actuarial valuation reports for the Article 3 Police Pension Funds exists under the Illinois Pension Code (40 ILCS 5/1A-111 and 22B) and was codified in a Memorandum of Understanding (MOU) with the Illinois Department of Insurance (IDOI).

C. POLICY OBJECTIVES:

1. To ensure compliance with the Illinois Pension Code with regards to conducting annual actuarial valuations that:
   a. determine the value of assets and liabilities and the funding requirements of the system and
   b. ensure that all Article 3 Police Pension Funds are treated equitably.
2. To provide transparency and guidance, define roles and responsibilities of staff, actuary and Board of Trustees, in preparing an annual actuarial valuation for the Article 3 police pension funds.
3. Support the IPOPIF policy goals of accountability and transparency by being clear as to the annual valuation process that includes the use of complete and accurate data.
4. To ensure that the Article 3 Police Pension Funds and Municipalities receive the information in a timely manner to ensure that the tax levy can be completed.
5. To review the actuarial assumptions in conjunction with the periodic review of the actuarial experience study.

D. DEFINITIONS:

1. **Actuarial Accrued Liability (AAL)** – The portion of the present value of projected benefits that is attributed to past service by the actuarial funding method.
2. **Actuarial Gains and Losses** – The changes in unfunded actuarial accrued liability or surplus due to actual experience different from what is assumed in the actuarial valuation. For example, if during a given year the assets earn more than the investment return assumption, the amount of earnings above the assumption will cause an unexpected reduction in unfunded actuarial accrued liability, or "actuarial gain" as of the next valuation.
3. **Actuarial Methods:**
   a. **Actuarial Funding Method.** This method is an actuarial approach to allocating the present value of benefits into two pieces: actuarial accrued liability for past service, and normal cost for future service. There are several actuarial methods available for this purpose, but the Projected Unit Credit cost method is required, by Illinois law, to be used in determining the statutory minimum contribution amount.
   b. **Asset Method.** The goal of an asset method is to smooth actual return experience over a period of years to help reduce the volatility of the contribution from year to year. Under Illinois law, investment gains and losses are smoothed over a five-year period.
   c. **Amortization Method.** The method used to systematically eliminate the Plan's unfunded actuarial accrued liability. Under current Illinois law, the annual amortization payments are based on attaining a 90% funded ratio. The unfunded liability is to be amortized over a period ending in 2040. The amortization is permitted to make use of a payroll growth assumption, so if all assumptions are met, the amortization payment will remain a level percentage of the Fund's payroll for the entire period.
4. **Actuarial Surplus** – The positive difference, if any, between the Actuarial Value of Assets and the Actuarial Accrued Liability

5. **Actuarial Value of Assets (AVA)** – The market value of assets less or plus the net deferred investment gains or losses not yet recognized by the asset smoothing method.
6. **Annual Actuarial Valuation Report.** A report generated by IPOPIF retained actuary as of the end of the fiscal year for each Article 3 Police Pension Fund, and in accordance with the Pension Code, the report is provided to the Article 3 Police Pension Fund for statutory minimum funding purposes only.
7. **Entry Age Method (EAN)** – An actuarial cost method designed to fund a member's total plan benefit over the course of his or her career. This method is designed to produce stable employer and employee contributions in amounts that increase at the same rate as the members' payroll (i.e., level % of payroll). This method is required in the calculations each municipality must complete to be compliant with Governmental Accounting Standards Board (GASB) statements.
8. **Funded Ratio** – The Actuarial Value of Assets (AVA) divided by the Actuarial Accrued Liability (AAL).
9. **Market Value of Assets (MVA)** – The fair value of assets of the plan as reported under generally accepted accounting principles.
10. **Normal Cost** – The portion of the present value of projected benefits that is attributed to service earned in the current year by the actuarial funding method.
11. **Pension Fund.** The term "Pension Fund" or "IPOPIF" shall refer to the Illinois Police Officers' Pension Investment Fund created by 40 ILCS 5/22b-101 *et seq*.
12. **Projected Unit Credit (PUC).** An actuarial cost method designed to fund a member's total plan benefit over the course of his or her career. This method assigns benefit costs to the year in which they are earned. This method is required to be used in the calculation of the statutory minimum contribution.

13. **"Qualified Actuary**". Qualified Actuary means an actuary: (i) who is a member of the American Academy of Actuaries; or (ii) an individual who has demonstrated to the satisfaction of the Director that he or she has the educational background necessary for the practice of actuarial science and has at least 7 years of actuarial experience. (40 ILCS 5/1A-111 (b)).
14. **Risk.** Actuarial results are determined based on a number of various assumptions. These results are based on the premise that all future plan experience will align with the actuarial assumptions; however, there is no guarantee that actual plan experience will align with the assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position. These uncertainties arise from factors including but not limited to investment risk, longevity risk, inflation risk and regulatory risk.
15. **Statutory Minimum Contribution.** The contribution is due from the municipality before adjusting for the phase-in of assumption changes. This amount reflects the required contribution if the entire impact of the assumption changes was reflected immediately. It is made up of a normal cost plus an amortization payment and is partially offset by contributions made by the members.
16. **Statutory Minimum Required Contribution (after phase-in).** - The bottom-line contribution due from the municipality after reflecting the three-year phase-in of assumption changes.
17. **Unfunded Actuarial Accrued Liability (UAAL)** – The portion of the Actuarial Accrued Liability that is not currently covered by plan assets. It is calculated by subtracting the Actuarial Value of Assets from the Actuarial Accrued Liability.
18. **Valuation Period** – The year for which the actuarial valuation is being performed, which is the twelve-month period preceding the fiscal year end date. The fiscal year end date is individually determined by the municipality and the date varies across the Article 3 Police Pension Funds.

E. KEY ACTUARIAL ASSUMPTIONS

1. **Actuarial Assumptions**: Actuarial assumptions are generally grouped into two major categories:
   a. **ECONOMIC ASSUMPTIONS**:
      i. **Interest Rate**. The interest rate is used to discount the valuation's projected cash flows to the measurement date. It is based on the long-term expected return of the IPOPIF trust fund assets, net of investment related expenses. The rate is reviewed more frequently than the other assumptions, but that does not imply that it will regularly change.
      ii. **Inflation / Cost-of-Living Adjustment.** Inflation underlies all of the economic-related assumptions but is set on its own for its role in the cost-of-living adjustment (COLA). While the COLA for Tier 1 members is fixed in law, the COLA for Tier 2 members is tied to inflation. Similar to the interest rate, the rate used should be tied to long-term expectations and not be overly influenced by short-term changes in actual inflation.
      iii. **Salary Increases**. This assumption projects current individual member salaries into the future, so that projected benefits can be determined.
      iv. **Payroll Growth**: This assumption projects growth in the employer payroll over time.
   b. **DEMOGRAPHIC AND OTHER ASSUMPTIONS**:
      i. **Demographic assumptions**. These assumptions, including mortality, retirement, disability and withdrawal/termination rates, allow the valuation to model how members will leave active service and receive any benefits earned over time.

F. POLICY GUIDELINES

1. Beginning July 1, 2022, pursuant to 40 ILCS 5/1A-111 the IPOPIF will prepare annual actuarial valuations for each Participating Pension Fund to determine the required minimum employer contribution for each Participating Pension Fund.
    a. Actuarial valuations must be completed within 9 months following the closing of each Participating Pension Fund's fiscal year end.
    b. Actuarial valuations must be provided to the municipalities in a timely manner to permit the municipalities to complete their tax levy determinations.
2. The accurate and complete reporting of member demographic, employment, payroll and contribution data is required from all Article 3 Police Pension Funds. This data is provided separately by each municipality to the IDOI and once approved it is released to the Actuary to complete the report. This data is not reviewed by IPOPIF. .
3. Actuarial Valuation Reports provided by IPOPIF are for statutory minimum funding purposes only. Accounting information for GASB 67/68 disclosures are not included as they are considered outside the scope of IPOPIF's statutory authority.
4. The Board of Trustees will prepare an actuarial experience study analyzing the assumptions used for actuarial valuation purposes for valuation reports produced on behalf of IPOPIF for actuarial valuations performed on or after July 1, 2022. The actuarial experience study will be conducted every three to five years at the direction of the Board of Trustees. The most recent experience study was completed on March 4, 2022.
5. Actuarial experience study and Annual Actuarial Valuation Reports will be prepared by a Qualified Actuary chosen by the IPOPIF Board of Trustees. IPOPIF requires a Qualified Actuary to provide actuarial and consulting services to IPOPIF, including but not limited to: (i) a review of the IPOPIF approved asset allocation; (ii) a recommendation on the reasonableness of IPOPIF's actuarial assumptions; and (iii) preparation of annual actuarial valuations for each Participating Pension Fund to determine the required minimum employer (municipal) contribution for each Participating Pension Fund.

6. Based on common practice, IPOPIF supports the application of the funding required by the statutory minimum contribution rates determined in each valuation will apply to the fiscal year beginning at least 12 months after the valuation date. This lag is intended to assist the municipality's ability to more accurately budget pension contributions and other practical considerations. Any shortfall or excess contribution as a result of the implementation lag will be amortized in the UAAL in the following valuation.

G. POLICY REVIEW

1. The Policy is subject to change in the exercise of the Board's judgement.
2. 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.
3. In the event of legislative changes to the pertinent sections addressed in this policy the Board will review the policy as appropriate.
4. This policy was adopted by the Board of Trustees on April 14, 2025.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: IMRF - PREPAYMENT OF UNFUNDED LIABILITY

DATE: JULY 31, 2026

RECOMMENDED ACTION(S):

- Approve the lump sum pre-payment of the total Unfunded Actuarial Accrued Liability (UAAL) to be made in the fourth quarter of calendar year 2026.
- Direct and authorize the Executive Director to work with IMRF and report back to the Board of Trustees.

INTRODUCTION:

Recently, a member of the Board of Trustees raised the issue of the unfunded liability owed to the Illinois Municipal Retirement Fund (IMRF) by our pension system and whether IPOPIF should consider prepaying or paying down this liability. The following is a discussion of the issue for consideration and direction by the Board of Trustees.

PARTICIPATION IN THE IMRF:

IPOPIF participates in the defined pension system with the IMRF based upon the passage by the Board of Trustees of Resolution 2022-03 "PARTICPATION IN THE ILLINOIS MUNICIPAL FUND" dated July 8, 2022.

Subsequent to the passage of this Resolution, all eligible employees of the Fund have been enrolled in the IMRF and receive the defined benefit pension benefits in accordance with the pension code.

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The funding of the defined benefit pension is through two sources shared between the employer and employee:

(1) IPOPIF pays an annual contribution as required by IMRF. This contribution rate is determined annually by the enrolled actuary of IMRF and consists of the (a) Normal Cost (expressed as a percentage of payroll) and (b) UAAL amortization payment (expressed as a dollar amount).
(2) The employee pays a fixed rate of 4.50% of salary.

For information, the normal cost of the pension benefits, which is the cost to fund the benefit in the current year, is calculated annually by the IMRF actuary.

The focus of this discussion is upon the portion of the employer cost related solely to the Unfunded Actuarial Accrued Liability (UAAL).

BENEFIT OF PRE-PAYING THE UAAL:

According to IMRF communication about considerations to reduce the UAAL, 'an employer can make voluntary payments specifically designed to pay down the UAAL."[1]

Generally, pre-payment of the UAAL will ultimately benefit IPOPIF and our stakeholders in reducing the cost of the defined benefit pension plan, in the following ways:

- Future Interest:
    - In making a pre-payment on the UAAL, the Fund can anticipate saving on future interest.
    - The plan's UAAL is being amortized as a level percentage of projected payroll on an open 10-year basis.[2]
    - Using the latest GASB 50, the Fund has a 'net pension liability' (NPL) of $378,401. It is estimated that over the course of paying down the UAAL, without any additional pre-payments, the Fund can anticipate an UAAL contribution expense of approximately $575,000 over the next twenty-five years.
    - The current interest payment on the UAAL is $27,434.

[1] IMRF General Memorandum number 631 dated November 15, 2012.
[2] IMRF GASB 50 disclosure report. June 11, 2026.

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- Reduce long-term payment amounts.
  - The reduction in the UAAL will reduce the annual pension payments due to the reduction in the long-term NPL, which will lead to reduced required contribution rates in future actuarial valuations.
  - IMRF has indicated that the Fund could anticipate seeing this impact in calendar year 2028.
- Improve overall plan health.
  - The funded ratio of the plan would change favorably due to the elimination of the liability.
  - A reduction in the UAAL will also benefit the funded ratio of the Fund – currently at 61.09 percent funded.

BACKGROUND CONSIDERATIONS:

IPOPIF has the ability to reduce the unfunded balance, which provides advantages to the Fund and our stakeholders in doing so.

A pre-payment to reduce the balance of the UAAL will reduce the amount of the 'debt' and the 'interest' on this debt in future years which will ultimately lower the cost to IPOPIF. The employee rate will remain the same regardless of any pre-payment of the UAAL.

It should be noted that any pre-payment of the current unfunded balance will not eliminate future UAAL because it does not consider any future gains and losses associated with our plan.

A bit of history on the UAAL is important to note that IPOPIF has fully funded the required annual normal cost in every year since inception:

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/25	$212,657	100%	$0*
12/31/24	$91,542	100%	$0*
12/31/23	$96,582	100%	$0*

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The UAAL is primarily due to the initial start-up of IPOPIF's participation in IMRF and is due to the statutory requirement that all employees in qualifying positions are automatically credited prior service for 20% of the qualifying period of employment, up to a maximum of 5 years. This 20% is given at no cost to the employee and employees can purchase the remaining period of prior service by paying 4.5% of salary, plus interest. This purchase is discretionary to the employee and is not discretionary to IPOPIF. This prior service credit of service was not funded at the time of entry and created an immediate unfunded liability.

The Government Finance Officers' Association (GFOA) issues guidance about pension costs and advises that a fund should pay down the UAAL in a systematic manner.

In this regard, the Fund is paying down the UAAL currently in accordance within the policies and requirements of the pension code as applied to the pension benefit and administered by IMRF. Continuing making the annual required contribution amount will lead to the eventual paydown of the UAAL.

<u>TIMING CONSIDERATIONS OF THE PRE-PAYMENT OF UAAL</u>

In addition to making the annual required contribution, the Fund could consider proactively managing the Fund's unfunded liability in two ways:

(1) an annual amount to be applied to the UAAL in addition to the required amount,

According to the IMRF, the timing of the lump sum is not too important as a consideration though some funds to wait until December to decide based on the investment performance of the IMRF fund, as interest is credited once per year on December 31st.

Consideration could be given to paying a sizeable portion of the UAAL each year rather than the entire amount in a single year.

(2) a lump sum amount equal to the total amount of the UAAL.

Also, IMRF noted that a lump sum payment in 2026 will not bring the 2027 contribution rate down, but it will bring the 2028 contribution rate down.

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ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: ETHICS POLICY – REVIEW AND REVISION

DATE: JULY 31, 2026

RECOMMENDED ACTION: APPROVE ETHICS POLICY, AS REVISED AS OF JULY 31, 2026

BACKGROUND:

The Ethics Policy was originally adopted by the Board of Trustees in December 2020 and was revised in October 2023.

The revision for review and approval incorporates revisions to remove redundancies and to restructure some of the sections. The section which deals with the topic of sexual harassment has been removed from this policy as it has been included in the Employee Handbook.

These revisions have been recommended based on reviews of the Fiduciary Legal Counsel, General Legal Counsel, Executive Director, and Chief Investment Officer.

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ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

POLICY AND PROCEDURE

POLICY NUMBER: PP-2020-07

SUBJECT: ETHICS POLICY

EFFECTIVE DATE: December 14, 2020

AMENDED: October 13, 2023

AMENDED: July 31, 2026

INDEX:

Commented [TM1]: Removed because this is now covered by the Employee Handbook.

A. INTRODUCTION

The Board of Trustees of the Illinois Police Officers' Pension Investment Fund ("The Fund") hereby adopts this Ethics Policy ("Policy") in furtherance of promoting the highest ethical conduct~~the objective of acting solely in the interests of the Fund's Members and Beneficiaries~~ when conducting Fund business, and to affirm its duties under the Illinois Pension Code, 40 ILCS ~~§~~5/1-101,~~22B~~ *et seq.*

B. DEFINITIONS

The definitions used in this Ethics Policy are limited to the Policy and shall not be binding on the Fund for any other purpose. Whenever used in this Policy, the following terms shall have the following meanings:

~~1. **"Administrative Action"** means any decision on, or any proposal, consideration, enactment or making of any rule or any other official action or non-action involving the expenditure of Fund assets by the Board, the executive director, or by any Employee of the Fund, or any matter which is within the jurisdiction of the Board.~~

~~3. **"Board Member"** means each of the elected, appointed, and ex officio trustee members of the Board.~~

~~5.~~3. **"Employee"** means an individual employed by the Fund, whether part-time or full-time, or by a contract of employment, but excludes Trustees~~Board Members~~ and any third-party vendor of the Fund.

4. **"Ethics Officer"** means the Fund's Executive Director or other individual designated by the Board~~of the Fund~~. ~~In the event that the Executive Director is the subject of a complaint, a member of the Board shall be appointed to conduct an investigation. In the event of a conflict of interest, the Board shall refer the complaint to the appropriate law enforcement agency or other persons or entities qualified to conduct such investigations as determined by the Board.~~

5. **"Fiduciary**," pursuant to the Illinois Pension Code, 40 ILCS 5/1-101.2, means a Person with respect to the Fund to the extent that the Person:

    (a) exercises any discretionary authority or discretionary control respecting management of the Fund, or exercises any authority or control respecting management or disposition of its assets;

Commented [TM2]: Proposing to delete because this definition is not used in the Policy.

Commented [TM3]: Changed to "Trustee," as that is the consistently used term, and moved to the end of the Definition section.

Commented [TM4]: Moved to Enforcement Section, below.

(b) renders investment advice or renders advice on the selection of fiduciaries for a fee or other Compensation, direct or indirect, with respect to any moneys or other property of the Fund, or has any authority or responsibility to do so; or

(c) has any discretionary authority or discretionary responsibility in the administration of the Fund.

6. **"Fund"** means the Illinois Police Officers' Pension Investment Fund.
7. **"Gift"** means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to Fund employment or the official position of a Trustee~~Board Member~~ or Employee~~ of the Fund; provided, however, Gift s hall not be deemed to include reimbursement from the Fund of travel or educational expenses relating to Fund business~~.
8. **"Participating Police Pension Fund"** means a pension fund established pursuant to Article 3 of the Illinois Pension Code.

~~8.~~9. **"Person"** means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.

~~9. **"Party in interest"** means (1) any person that is a fiduciary, counsel or Employee of the Fund or a relative of such person; (2) any person that provides services to the Fund or a relative of such person; (3) an employer, any of whose employees are covered by the Fund; (4) an employee organization, any members of which are covered by the Fund; and (5) an Employee, officer or director of the Fund or of a person described under items (2), (3) or (4) above.~~

Commented [TM5]: Proposing to delete because this definition is not used in the Policy.

a. ~~is~~ seeking official action by (A) a Trustee or~~by the Fund,~~ (B) ~~by any Fund Member or (C) by~~ an Employee, or by the Fund, Board, Trustee or another Employee directing that Employee;

b. doing~~does~~ business or seekings to do business with (A) a Trustee ~~with the Fund or (ii) with a Board Member~~ or (B) an Employee, or with the Fund, Board, Trustee or another Employee directing that Employee;

c. with~~has~~ interests that may be substantially affected by the performance or non-performance of the official duties of the Trustee or Employee~~Board Member~~; or

d. ~~is~~ registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a P~~p~~rohibited S~~s~~ource does not become a P~~p~~rohibited S~~s~~ource merely because a registered lobbyist is one of its members or serves on its board of directors; or~~.~~

~~d.~~e. who is an agent of, a Spouse of, or an immediate family member who is living with a Prohibited Source.

11. **"Reasonable Suspicion"** means a belief, based upon specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that fraud has been, or will be, committed. A reasonable suspicion is more than a non-particularized suspicion. A mere inconsistency, standing alone, does not give rise to a reasonable suspicion.

12. **"Relative"** means an individual who is related to a Trustee or Employee, whether by blood or by adoption, as: husband, wife, parent, child, brother or sister, aunt or uncle, great aunt or great uncle, first cousin, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister, and including the father, mother, grandfather, or grandmother of the Trustee's or Employee's Spouse and the Trustee's or Employee's fiancé or fiancée.

13. **"Spouse"** means a party to a lawful marriage, civil union, or domestic partnership.

~~11.~~14. **"Trustee"** means each of the elected, appointed, and ex officio trustee members of the Board.

C. CODE OF CONDUCT~~POLICY~~

1. To the extent applicable, Trustees, E~~e~~mployees, and external service providers are subject to and shall comply with the Illinois Pension Code,~~.~~ (40 ILCS 5/1 et seq.) Trustees and E~~e~~mployees shall also comply with the Fund's Bylaws~~ ("Bylaws")~~, ~~and~~ Administrative Rules, and Policies~~Regulations ("Rules")~~, as adopted from time to time.

~~2. The Fund, by a majority vote, shall appoint an Ethics Officer for the Fund. The Ethics Officer shall be that person designated as Ethics Officer and in the absence of such designation, the Executive Director shall serve in that capacity.~~

Commented [TM6]: The definition of Ethics Officer provides that the ED is the Ethics Officer, unless another person is designated by the Board.

~~4.~~3. Trustees and E~~e~~mployees shall not knowingly make any false statement or falsify, or permit to be falsified, any record of the Fund. Any Reasonable Suspicion by a Trustee or Employee of a false statement or falsified record being submitted or permitted shall be immediately referred to the Ethics Officer and the Board.

~~5.~~4. Trustees and Fiduciary ~~e~~Employees shall at all times in the performance of their Fund duties owe a fiduciary duty to the Fund and the participants and beneficiaries of the Participating Police Pension Funds as set forth in Section 1-109 of the Illinois Pension Code~~act in good faith and in the best interest of Members and Beneficiaries~~.

~~6. Trustees and employees shall act with prudence and reasonable care.~~

6. Trustees and Fiduciary Employees shall not engage in prohibited transactions as set forth in Section 1-110 of the Illinois Pension Code.

7. No Trustee or Employee or the Spouse of such Trustee or Employee shall knowingly have any direct interest in the income, gains, or profits of any investment made on behalf of the Fund. No Trustee or Employee or the Spouse of such Trustee or Employee shall become an endorser or surety, or in any manner an obligor for money loaned or borrowed from the Fund. An annuity otherwise provided in accordance with the Illinois Pension Code or any income, gains, or profits related to any non-controlling interest in any public securities, mutual fund, or other passive investment is not considered monetary gain on investments.

8. No Trustee may be employed by the Fund during their service as a Trustee or for a period of twelve months after they cease to be a Trustee, except as provided in Section 1-109.5 of the Illinois Pension Code.

~~8. Trustees and employees shall develop and maintain their skills and competence through continuing education, participation in staff and Trustee training, and participation in professional associations in order to familiarize themselves with duties and obligations and to keep abreast of developments.~~

Commented [TM8]: Moved to Training Section, below.

~~10. Trustees and employees shall not engage in "Prohibited Transactions" as defined in the Illinois Pension Code.~~

Commented [TM9]: Moved up to immediate follow fiduciary duty.

D. CONFLICT OF INTEREST

1. A conflict of interest is a tension between one's private interests and one's public and/or fiduciary duties or the appearance of such tension. There are many nuances when determining whether a conflict of interest exists; however, the core of a conflict of interest

is whether the situation could reasonably result in impaired judgment or involve the potential for personal gain ~~in a procurement or contracting decision or action~~.

2. Trustees shall recuse themselves whenever a matter comes before the Fund as to which an actual conflict, a potential conflict, or the appearance of a conflict of interest may exist, unless, after full disclosure at a Board meeting of the facts underlying an actual conflict, a potential conflict, or the appearance of a conflict, the Board determines no conflict, potential conflict, or the appearance of a conflict exists. A Trustee shall not vote on matters as to which a conflict or potential conflict of interest exists.

~~1.~~3. All E~~e~~mployees and vendors must disclose in writing all actual conflicts, potential conflicts, or the appearance of a conflict of interest to the Executive Director, who shall disclose to the Board~~Fund~~, in writing, all actual conflicts, potential conflicts, or the appearance of a conflict of interest. Employees and vendors shall recuse themselves unless, after full disclosure at a Board meeting disclosing the facts underlying an actual conflict, a potential conflict, or the appearance of a conflict, the Board determines that no conflict or potential conflict exists. ~~The Executive Director and/or Trustees must disclose in writing all actual conflicts, potential conflicts, or the appearance of a conflict of interest to the Fund, as a whole.~~

~~Except as provided herein, and subject to applicable State laws, a Trustee or employee shall not accept either directly or indirectly any item of value from:~~

E. PROHIBITION ON GIFTS

1. Notwithstanding any other provision of this Policy, no~~a~~ Trustee or ~~an~~ E~~e~~mployee, and no Spouse or~~the definition of which shall include the Trustee's or employee's spouse and any~~ immediate family member residing with such Trustee or E~~e~~mployee (collectively, "Recipient"), shall intentionally solicit or ~~not~~ accept ~~food and/or refreshments of any value or~~ any Gift from any Prohibited Source or which is otherwise prohibited by law or the Fund's Bylaws, Administrative Rules, or Policies ~~after a Request for Proposal ("RFP") or Request for Information ("RFI") has been approved relating to the Prohibited Source's business interest with the Fund or when the Trustee or employee knows such RFP or RFI will be the subject of Board action~~. No Prohibited Source shall intentionally offer or make a Gift that violates this Policy.

2. ~~A Fund Trustee or employee, the definition of which shall include the Trustee's or the~~

[illegible] following:

a. Opportunities, benefits, and services that are available on the same conditions as for the general public.

b. Anything for which the Recipient~~officer, member, or employee~~ pays the market value.

c. Educational materials~~ and missions~~.

~~d. Travel expenses for a meeting to discuss Fund business.~~

e. Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of a Trustee or Employee), if the benefits have not been offered or enhanced because of the official position or employment of the Trustee or Employee, and are customarily provided to others in similar circumstances.

f. Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than $100.

g. A G~~g~~ift from a R~~r~~elative~~, meaning, those people related to the individual as father, mother, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in- law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather or grandmother of the individual's spouse and the individual's fiancé or fiancée~~.

h. Anything provided by an individual on the basis of a personal friendship unless the member, officer, or employee has reason to believe that, under the circumstances, the G~~g~~ift was provided because of the official position or employment of the member, officer, or employee and not because of the personal friendship. In determining whether a Gift is provided on the basis of personal friendship, the Recipient shall consider the circumstances under which the Gift was offered, such as: (i) the history of the relationship between the individual giving the Gift and the Recipient, including any previous exchange of Gifts between those individuals; (ii) whether to the actual knowledge of the Recipient the individual who gave the Gift personally paid for the Gift or sought a tax deduction or business reimbursement for the Gift; and (iii) whether to the actual knowledge of the Recipient the individual who gave the Gift also at the same time gave the same or similar gifts to other Recipients.

i. Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intra-governmental gift" means any G~~g~~ift given to a Trustee or Employee~~member, officer, or employee of the Fund~~ from another Trustee or Employee~~member, officer, or employee of the Fund~~; and "inter-governmental gift" means any gift given to a Trustee or Employee~~member, officer, or employee of the Fund,~~ by a member, officer, or employee of another state agency, of a federal agency, or of any governmental entity.

~~i.~~j. Bequests, inheritances, and other transfers at death.

~~3. The limitations on the receipt of items of value, food and/or refreshments, or Gifts as set forth in the Policy shall not apply to items of value, food and/or refreshments, or Gifts received by a Trustee or employee as a result of familial, personal, outside business, or social relationship existing independent of the Fund's affairs that a Trustee or employee may have with a Prohibited Source, unless the Trustee or employee has reason to believe that, under the circumstances, the item of value, food and/or refreshments, or Gift was provided or enhanced because of the Trustee's or employee's position and not because of the personal, business, or social relationship existing independent of the Fund's affairs. In determining whether the item of value, food and/or refreshments, or Gift was provided because of the Trustee's or employee's position and not because of the personal, business, or social relationship existing independent of the Fund's affairs, the Trustee or employee shall consider the circumstances under which the item of value, food and/or refreshments, or Gift was offered, such as:~~

~~9.~~4. A Trustee or E~~e~~mployee does not violate this policy if the Trustee or E~~e~~mployee promptly takes reasonable action to return the prohibited G~~g~~ift to its source or gives the G~~g~~ift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded. Such Trustee or Employee shall provide proof of such return or donation to the Board.

F. DISCLOSURE OF ECONOMIC INTERESTS

1. All ~~Fund~~ Trustees and E~~e~~mployees who are required to file a statement of economic interest, pursuant to the Illinois Governmental Ethics Act, 5 ILCS 420/4A-102, shall timely file such statement.

~~**G. SEXUAL HARASSMENT**~~

Commented [TM15]: Sexual harassment is now covered by the Employee Handbook.

1. Trustees and Employees shall develop and maintain their skills and competence through continuing education, participation in staff and Trustee training, and participation in professional associations in order to familiarize themselves with duties and obligations and to keep abreast of developments.
2. ~~1.~~2.Trustees~~Board members and employees~~ shall be required to complete at least 8 hours of ethics training per year, which shall include training on ethics, fiduciary duty, investment issues and any other curriculum that the investment board establishes as being important for its administration. The ~~Fund's~~ Ethics O~~o~~fficer shall be responsible for annual certification of these requirements in accordance with 40 ILCS 5/1-113.18.

~~Within 30 days of adoption of this policy, or initial employment, and annually thereafter, all Board members and employees shall complete anti-sexual harassment and discrimination training. The Fund's Ethics officer shall establish and assign training in accordance with 430 ILCS 5-10.5 and certify compliance.~~

~~P.~~H. ENFORCEMENT

1. Any Person who believes that there has been a violation of this Ethics Policy should submit to the Ethics Officer a written complaint detailing the violation, who will timely investigate the complaint and submit a report to the Board. If the Ethics Officer is the subject of a complaint or if a conflict exists, then the Person may submit a written complaint to any Trustee or the Fund's legal counsel, in which case the Board will designate another Employee, Trustee, legal counsel, or other qualified Person to conduct a timely investigation and submit a report to the Board.
2. ~~1.~~2.Any ~~Fund~~ Trustee or E~~e~~mployee found to have violated any of the provisions of this Policy or to have furnished false or misleading information to the Fund regarding compliance with this Policy shall be subject to the following sanctions:

a. any E~~e~~mployee found in material violation of any of the provisions of this Policy shall be subject to employment sanctions, up to and including discharge, in accordance with the Fund's Employee Handbook.

b. any ~~Fund~~ Trustee found to be in material violation of any of the provisions of this Policy shall be subject to the following sanctions, as determined to be appropriate by the Fund:

   i. Public censure;

   ii. Requested resignation;

   iii. Litigation by the Fund seeking to remove the Trustee ~~for breach of fiduciary.~~; and/or

   iv. Any applicable appropriate sanctions in accordance with the applicable provisions of the Illinois Pension Code or other State law, including, if applicable, referral to the relevant State's Attorney's Office with proper jurisdiction over the matter, or to the Illinois Attorney General's office for investigation.

2. All Fund contracts with investment managers/consultants and professional service vendors shall include a provision requiring compliance with this Policy. The contract with any investment manager/consultant or professional service vendor who violates a material provision of this Policy shall be voidable by the Fund.
3. Nothing in this Policy shall preclude the Fund from bringing a lawsuit for an accounting for any pecuniary benefit received by any person in violation of this Policy or of law, or to recover damages for violation of this Policy or of law.

~~Q.~~I. POLICY REVIEW

1. The Policy is subject to change in the exercise of the Board's judgement.
2. 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.
3. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.
4. This policy was adopted by the Board on December 14, 2020.
5. This policy was reviewed and approved by the Board of Trustees on October 13, 2023.

~~5.~~6. This policy was reviewed and amended by the Board of Trustees on July 31, 2026.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
POLICY AND PROCEDURE

POLICY NUMBER:	PP-2020-07
SUBJECT:	ETHICS POLICY
EFFECTIVE DATE:	December 14, 2020
AMENDED:	October 13, 2023
AMENDED:	July 31, 2026

INDEX:

A. INTRODUCTION

The Board of Trustees of the Illinois Police Officers' Pension Investment Fund ("The Fund") hereby adopts this Ethics Policy ("Policy") in furtherance of promoting the highest ethical conduct when conducting Fund business, and to affirm its duties under the Illinois Pension Code, 40 ILCS 5/1-101, *et seq.*

B. DEFINITIONS

The definitions used in this Ethics Policy are limited to the Policy and shall not be binding on the Fund for any other purpose. Whenever used in this Policy, the following terms shall have the following meanings:

1. **"Board"** means the Board of Trustees of the Illinois Police Officers' Pension Investment Fund.
2. **"Compensation"** means money, thing of value or other pecuniary benefit received or to be received in return for, or as reimbursement for, services rendered or to be rendered.
3. **"Employee"** means an individual employed by the Fund, whether part-time or full-time, or by a contract of employment, but excludes Trustees and any third-party vendor of the Fund.
4. **"Ethics Officer"** means the Fund's Executive Director or other individual designated by the Board.
5. "**Fiduciary**," pursuant to the Illinois Pension Code, 40 ILCS 5/1-101.2, means a Person with respect to the Fund to the extent that the Person:

    (a) exercises any discretionary authority or discretionary control respecting management of the Fund, or exercises any authority or control respecting management or disposition of its assets;

    (b) renders investment advice or renders advice on the selection of fiduciaries for a fee or other Compensation, direct or indirect, with respect to any moneys or other property of the Fund, or has any authority or responsibility to do so; or

    (c) has any discretionary authority or discretionary responsibility in the administration of the Fund.
6. **"Fund"** means the Illinois Police Officers' Pension Investment Fund.
7. **"Gift"** means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other

tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to Fund employment or the official position of a Trustee or Employee.

8. **“Participating Police Pension Fund”** means a pension fund established pursuant to Article 3 of the Illinois Pension Code.
9. **"Person"** means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.
10. **"Prohibited Source"** means any P:
    a. seeking official action by (A) a Trustee or (B) an Employee, or by the Fund, Board, Trustee or another Employee directing that Employee;
    b. doing business or seeking to do business with (A) a Trustee or (B) an Employee, or with the Fund, Board, Trustee or another Employee directing that Employee;
    c. with interests that may be substantially affected by the performance or non-performance of the official duties of the Trustee or Employee; or
    d. registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity not otherwise a Prohibited Source does not become a Prohibited Source merely because a registered lobbyist is one of its members or serves on its board of directors; or
    e. who is an agent of, a Spouse of, or an immediate family member who is living with a Prohibited Source.
11. "**Reasonable Suspicion**" means a belief, based upon specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that fraud has been, or will be, committed. A reasonable suspicion is more than a non-particularized suspicion. A mere inconsistency, standing alone, does not give rise to a reasonable suspicion.
12. **"Relative"** means an individual who is related to a Trustee or Employee, whether by blood or by adoption, as: husband, wife, parent, child, brother or sister, aunt or uncle, great aunt or great uncle, first cousin, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister,

and including the father, mother, grandfather, or grandmother of the Trustee's or Employee's Spouse and the Trustee's or Employee's fiancé or fiancée.

13. **"Spouse"** means a party to a lawful marriage, civil union, or domestic partnership.
14. **"Trustee"** means each of the elected, appointed, and ex officio trustee members of the Board.

C. CODE OF CONDUCT

1. To the extent applicable, Trustees, Employees, and external service providers are subject to and shall comply with the Illinois Pension Code, (40 ILCS 5/1 et seq.) Trustees and Employees shall also comply with the Fund's Bylaws, Administrative Rules, and Policies, as adopted from time to time.
2. Trustees and Employees shall act in good faith and with honor and integrity in the performance of their Fund duties.
3. Trustees and Employees shall not knowingly make any false statement or falsify, or permit to be falsified, any record of the Fund. Any Reasonable Suspicion by a Trustee or Employee of a false statement or falsified record being submitted or permitted shall be immediately referred to the Ethics Officer and the Board.
4. Trustees and Fiduciary Employees shall at all times in the performance of their Fund duties owe a fiduciary duty to the Fund and the participants and beneficiaries of the Participating Police Pension Funds as set forth in Section 1-109 of the Illinois Pension Code.
5. Trustees and Fiduciary Employees shall act prudently and as fiduciaries and take all reasonable steps to ensure that all Participating Policy Pension Funds are treated equitably and that the financial condition of one Participating Police Pension Fund will have no effect on the financial condition of any other Participating Police Pension Fund.
6. Trustees and Fiduciary Employees shall not engage in prohibited transactions as set forth in Section 1-110 of the Illinois Pension Code.
7. No Trustee or Employee or the Spouse of such Trustee or Employee shall knowingly have any direct interest in the income, gains, or profits of any investment made on behalf of the Fund. No Trustee or Employee or the Spouse of such Trustee or Employee shall become an endorser or surety, or in any manner an obligor for money loaned or borrowed from the Fund. An annuity otherwise provided in accordance with the Illinois Pension Code or any

income, gains, or profits related to any non-controlling interest in any public securities, mutual fund, or other passive investment is not considered monetary gain on investments.

8. No Trustee may be employed by the Fund during their service as a Trustee or for a period of twelve months after they cease to be a Trustee, except as provided in Section 1-109.5 of the Illinois Pension Code.
9. By virtue of their roles, Trustees and Employees shall respect and protect privileged information. No current or former Trustee or Employee shall use or disclose, other than in the performance of his or her Fund related duties and responsibilities, or as may be required by law, confidential information gained in the course of or by reason of their position or employment.
10. No Person, including a Trustee or an Employee, shall retain any Person to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of the Fund for compensation, contingent in whole or in part upon the decision or procurement.

D. CONFLICT OF INTEREST

1. A conflict of interest is a tension between one's private interests and one's public and/or fiduciary duties or the appearance of such tension. There are many nuances when determining whether a conflict of interest exists; however, the core of a conflict of interest is whether the situation could reasonably result in impaired judgment or involve the potential for personal gain.
2. Trustees shall recuse themselves whenever a matter comes before the Fund as to which an actual conflict, a potential conflict, or the appearance of a conflict of interest may exist, unless, after full disclosure at a Board meeting of the facts underlying an actual conflict, a potential conflict, or the appearance of a conflict, the Board determines no conflict, potential conflict, or the appearance of a conflict exists. A Trustee shall not vote on matters as to which a conflict or potential conflict of interest exists.
3. All Employees and vendors must disclose in writing all actual conflicts, potential conflicts, or the appearance of a conflict of interest to the Executive Director, who shall disclose to the Board, in writing, all actual conflicts, potential conflicts, or the appearance of a conflict of interest. Employees and vendors shall recuse themselves unless, after full disclosure at

a Board meeting disclosing the facts underlying an actual conflict, a potential conflict, or the appearance of a conflict, the Board determines that no conflict or potential conflict exists.

E. PROHIBITION ON GIFTS

1. Notwithstanding any other provision of this Policy, no Trustee or Employee, and no Spouse or immediate family member residing with such Trustee or Employee (collectively, "Recipient"), shall intentionally solicit or accept any Gift from any Prohibited Source or which is otherwise prohibited by law or the Fund's Bylaws, Administrative Rules, or Policies. No Prohibited Source shall intentionally offer or make a Gift that violates this Policy.
2. The prohibition on Gifts from a Prohibited Source in Section E.1 shall not apply to the following:
   a. Opportunities, benefits, and services that are available on the same conditions as for the general public.
   b. Anything for which the Recipient pays the market value.
   c. Educational materials.
   d. Food or refreshments not exceeding $75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to eat and not delivered by any means.
   e. Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of a Trustee or Employee), if the benefits have not been offered or enhanced because of the official position or employment of the Trustee or Employee, and are customarily provided to others in similar circumstances.
   f. Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than $100.
   g. A Gift from a Relative.

h. Anything provided by an individual on the basis of a personal friendship unless the member, officer, or employee has reason to believe that, under the circumstances, the Gift was provided because of the official position or employment of the member, officer, or employee and not because of the personal friendship. In determining whether a Gift is provided on the basis of personal friendship, the Recipient shall consider the circumstances under which the Gift was offered, such as: (i) the history of the relationship between the individual giving the Gift and the Recipient, including any previous exchange of Gifts between those individuals; (ii) whether to the actual knowledge of the Recipient the individual who gave the Gift personally paid for the Gift or sought a tax deduction or business reimbursement for the Gift; and (iii) whether to the actual knowledge of the Recipient the individual who gave the Gift also at the same time gave the same or similar gifts to other Recipients.

i. Intra-governmental and inter-governmental gifts. For the purpose of this Act, “intra-governmental gift” means any Gift given to a Trustee or Employee from another Trustee or Employee; and “inter-governmental gift” means any gift given to a Trustee or Employee by a member, officer, or employee of another state agency, of a federal agency, or of any governmental entity.

j. Bequests, inheritances, and other transfers at death.

3.

4. A Trustee or Employee does not violate this policy if the Trustee or Employee promptly takes reasonable action to return the prohibited Gift to its source or gives the Gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded. Such Trustee or Employee shall provide proof of such return or donation to the Board.

F. DISCLOSURE OF ECONOMIC INTERESTS

1. All Trustees and Employees who are required to file a statement of economic interest, pursuant to the Illinois Governmental Ethics Act, 5 ILCS 420/4A-102, shall timely file such statement.

G. TRAINING

1. Trustees and Employees shall develop and maintain their skills and competence through continuing education, participation in staff and Trustee training, and participation in professional associations in order to familiarize themselves with duties and obligations and to keep abreast of developments.
2. Trustees shall be required to complete at least 8 hours of ethics training per year, which shall include training on ethics, fiduciary duty, investment issues and any other curriculum that the investment board establishes as being important for its administration. The Ethics Officer shall be responsible for annual certification of these requirements in accordance with 40 ILCS 5/1-113.18.

H. ENFORCEMENT

1. Any Person who believes that there has been a violation of this Ethics Policy should submit to the Ethics Officer a written complaint detailing the violation, who will timely investigate the complaint and submit a report to the Board. If the Ethics Officer is the subject of a complaint or if a conflict exists, then the Person may submit a written complaint to any Trustee or the Fund's legal counsel, in which case the Board will designate another Employee, Trustee, legal counsel, or other qualified Person to conduct a timely investigation and submit a report to the Board.
2. Any Trustee or Employee found to have violated any of the provisions of this Policy or to have furnished false or misleading information to the Fund regarding compliance with this Policy shall be subject to the following sanctions:
    a. any Employee found in material violation of any of the provisions of this Policy shall be subject to employment sanctions, up to and including discharge, in accordance with the Fund's Employee Handbook.
    b. any Trustee found to be in material violation of any of the provisions of this Policy shall be subject to the following sanctions, as determined to be appropriate by the Fund:
        i. Public censure;
        ii. Requested resignation;
        iii. Litigation by the Fund seeking to remove the Trustee; and/or
        iv. Any applicable appropriate sanctions in accordance with the applicable

provisions of the Illinois Pension Code or other State law, including, if applicable, referral to the relevant State's Attorney's Office with proper jurisdiction over the matter, or to the Illinois Attorney General's office for investigation.

2. All Fund contracts with investment managers/consultants and professional service vendors shall include a provision requiring compliance with this Policy. The contract with any investment manager/consultant or professional service vendor who violates a material provision of this Policy shall be voidable by the Fund.
3. Nothing in this Policy shall preclude the Fund from bringing a lawsuit for an accounting for any pecuniary benefit received by any person in violation of this Policy or of law, or to recover damages for violation of this Policy or of law.

I. POLICY REVIEW

1. The Policy is subject to change in the exercise of the Board's judgement.
2. 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.
3. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.
4. This policy was adopted by the Board on December 14, 2020.
5. This policy was reviewed and approved by the Board of Trustees on October 13, 2023.
6. This policy was reviewed and amended by the Board of Trustees on July 31, 2026.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: **BOARD OF TRUSTEES**

FROM: **RICHARD WHITE, EXECUTIVE DIRECTOR**

RICHARD J. REIMER, IPOPIF GENERAL LEGAL COUNSEL

RE: **ETHICS TRAINING**

DATE: **JULY 31, 2026**

Recommended Action: Receive training presentation and review materials. No formal action is required.

As the Board of Trustees is aware, the Pension Code mandates a minimum number of training hours to be completed annually by each Board member. Training in Ethics is a component of this requirement. Board member training to "develop and maintain an adequate level of knowledge and understanding of relevant issues" is also noted in the Education and Training Policy (PP-2023-05).

General Legal Counsel Reimer will present an update and refresher course on Basic Ethics for the Board of Trustees at this meeting.

The Board of Trustees will receive a training certificate for this course.

Attachments:

- Basic Ethics Presentation, July 31, 2026, Richard J. Reimer, Esq.

456 Fulton Street, Suite 402
Peoria, IL. 61602
(309) 280-6464

Illinois Police Officers' Pension Investment Fund

BASIC ETHICS
July 31, 2026

RICHARD J. REIMER, ESQ.

1

Consequences of Ethics Violations

1. Civil Liability - Potential Breach of Fiduciary Duty

2. Criminal Liability

3. Gift Ban Act – Can be civil (fines) or criminal

4. Removal from Office

Civil Penalties
40 ILCS § 5/1-110

1. Prohibited Transactions

A Fiduciary may not:

1. Sale or exchange or leasing of assets of pension fund for greater or less than adequate consideration with "party in interest."

2. Deal with the assets of the pension fund for his or her own interest or for their own account.

3. In individual capacity act in any transaction on behalf of party whose interests are adverse to the interests of pension board or adverse to the interests of participants and beneficiaries.

4. Receive any consideration for his own personal account from any party dealing with the pension fund

Remedy: Liability for breach of fiduciary duty.

2.

Prohibition on Gifts

40 ILCS § 5/1-125

The "gift ban" section of the Pension Code, makes certain portions of the State Officials and Employees Ethics Act applicable to all Trustees and employees of IPOPIF.

a. Definitions

For purposes of §5/1-125 of the Illinois Pension Code, the following definitions apply:

i. Gift

ii. Prohibited Source

Prohibition on Gifts

i. Gift

Any (1) gratuity, (2) discount, (3) entertainment, (4) hospitality, (5) loan, (6) forbearance, (7) or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, or an honoraria for speaking engagements related to or attributed to government employment or the official position of an employee, member, or officer (5 ILCS §430/1-5).

Prohibition on Gifts

ii. Prohibited Source

A person or entity who:

1. Is seeking official action by the IPOPIF or an IPOPIF Trustee member;
2. Does business or seeks to do business with the IPOPIF or an IPOPIF Trustee member;
3. Has interest that may be substantially affected by the performance or non-performance of the official duties of the IPOPIF member; or
4. Is registered or required to be registered with the Secretary of State under the Lobbyist Legislation Act;
5. Is agent of, or spouse of, or immediate family member living with a prohibited source.

Prohibition on Gifts

b. Prohibitions

- Prohibits any Trustee from intentionally soliciting or accepting any gift from any prohibited source.

  (Educational Materials Excluded)

  Applies to Employees of IPOPIF.

Prohibition on Gifts

c. Exceptions

The following exceptions are relevant:

i. Food or refreshments not exceeding $75.00 in value, per person, on a single calendar day, provided that food or refreshments are consumed on the premises on which they were purchased or prepared or catered;

ii. Any item or items from any one prohibited source during any calendar year, having an accumulated total of less than $100.00.

Each of the exceptions listed above are mutually exclusive and independent of each other.

d. Disposition of Gifts 5 ILCS §430/10-3

There is no violation of Act if Trustee or Employee:

- Takes reasonable action to return the prohibited gift to the source, or
- Gives the gift or an amount equal to its value to an appropriate charity exempt from income taxation under §501(c)(3) of the I.R.C.

Remedy: Can be fines or Class A misdemeanor

3.
The "Illinois Governmental Ethics Act"
5 ILCS § 420/4A-101

a. On or before February 1st annually, the "chief administrative officer" of IPOPIF shall certify to the Secretary of State the names and addresses of those persons required to file.

b. On or before April 1st annually, the Secretary of State shall notify each IPOPIF Trustee of the requirements for filling statements of economic interests.

The "Illinois Governmental Ethics Act"

c. On or before May 1st annually, each IPOPIF Trustee shall file the verified written statement of economic interests with the Secretary of State's Office.

d. Willfully filing a false or incomplete statement constitutes a Class A misdemeanor.

The "Illinois Governmental Ethics Act"

e. A Trustee who fails to file a statement shall be ineligible to sit on the Board and must forfeit his or her position.

f. A State's Attorney shall bring an action in *quo warranto* against any person who fails to file "by either May 31 or June 30 of any given year."

4.

Contingent and Placement Fees

40 ILCS §5/1-145

a. Prohibiting contingent and placement fees.

b. “No person or entity shall retain a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of a [pension fund], contingent in whole or in part upon the decision or procurement.”

Contingent and Placement Fees

c. Violation of this section constitutes a business offense subject to a fine of not more than $10,000. Additionally, a person convicted of violating this section is prohibited from working with pension funds for 3 years.

Criminal Penalties

1.
Prohibited Transactions
40 ILCS §5/1-110(d)

"Prohibited Transactions" creates subsection (d) which bars a fiduciary of a pension fund established under Article III and Article IV from knowingly causing or advising a pension fund to engage in an investment transaction when the fiduciary:

a. Has any direct interest in the outcome, gains, or profits of the investment advisor through which the investment transaction is made; or

b. Has a business relationship with that investment advisor that would result in a pecuniary benefit to the fiduciary as a result of this investment transaction.

This new provision does not define what constitutes a business relationship" or "pecuniary benefit." Violation of this provision is a Class 4 felony.

2.
No Monetary Gain on Investments
40 ILCS §5/1-130

a. Specifically prohibits any IPOPIF Trustee from "…knowingly [having] any direct interest in the income, gains, or profits of any investments made on behalf of the [pension fund]."

b. This statute also applies to a Trustee's spouse.

No Monetary Gain on Investments

c. Additionally, a pension board trustee cannot receive "…any pay or emolument for services in connection with any investment."

d. Violation of this section constitutes a Class 3 Felony.

3.
Fraud
40 ILCS §5/1-135

a. Establishes criminal penalties for any person who "…knowingly makes any false statement or falsifies or permits to be falsified any record of a [pension fund] in an attempt to defraud the [pension fund]."

b. Fiduciaries must report reasonable suspicion of fraudulent statement:

“reasonable suspicion” means a belief, based upon specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that fraud has been, or will be, committed. A reasonable suspicion is more than a non-particularized suspicion. A mere inconsistency, standing alone, does not give rise to a reasonable suspicion.

c. Violation of this section constitutes a Class 3 Felony.

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

ANA COLLAZO, in her capacity as the ACTING EXECUTIVE INSPECTOR GENERAL For the SECRETARY OF STATE, State of Illinois Petitioner, v. JASON COPELIN, Respondent.	)))))))))))	No. 23-EEC-003

DECISION

This matter is now before the Commission on the Parties' Joint Motion for Summary Judgment.

Petitioner filed the Complaint in this matter on May 31, 2023. An affidavit of service indicates Respondent was personally served a copy of the Complaint on June 14, 2023. Respondent filed no objections to the Complaint, which the Commission found sufficient to allege a violation of the State Officials and Employees Ethics Act on August 22, 2023. Petitioner and Respondent filed the Parties' Stipulation of Material Facts and Agreed Statement of Relevant Law on March 1, 2024. Respondent filed a Statement of Mitigation on March 1, 2024. Petitioner filed a Joint Motion for Summary Judgment on behalf of both parties on August 16, 2024.

Petitioner is represented by Assistant Attorney General Abigail R. Durkin. Respondent is represented by D. Peter Wise of Gates Wise Schlosser & Goebel.

FINDINGS OF FACT

The record of proceedings has been reviewed by the members of the Executive Ethics Commission. Based upon the record, including the parties' Stipulation of Material Facts ("Stip.") and Joint Motion for Summary Judgment ("Motion), the Commission makes the following findings of fact:

1. Respondent was employed by the Office of the Illinois Secretary of State ("ILSOS") from 1998 to December 20, 2022, at which time Respondent resigned following receipt of the notice of his proposed discharge. Stip., ¶2; Motion, ¶1.

2. At all times relevant to the allegations in the Complaint, Respondent was a state employee subject to the State Officials and Employees Ethics Act ("Ethics Act") and subject to the jurisdiction of the Executive Ethics Commission. Stip., ¶1; Motion, ¶1.

3. Since at least 2008, Respondent completed ILSOS's annual Ethics training, which included an overview of the Article 10 of the Ethics Act (hereinafter "Gift Ban"). At all times relevant to the allegations in the Complaint, Respondent understood and was aware of his obligations under the Gift Ban. Stip., ¶8; Motion, ¶5.

4. At all times relevant to the allegations in the Complaint, Respondent was employed as an Executive III in ILSOS's Commercial Farm & Truck Division ("CFT"). Respondent's duties included, *inter alia*, "planning, organizing, directing, and coordinating a moderate-sized program including a variety of … functions usually having statewide impact." Respondent processed applications, permits, and licensing fees and renewals for entities involved in interstate travel and/or trucking, including remitters. Stip. ¶9; Motion, ¶7.

5. Safety Support Services ("SSS") is a licensed remitter and prohibited source. Stip., ¶11; Motion, ¶8.

6. From 2012 to 2022, in exchange for expedited processing and preferential treatment, Respondent received multiple gift cards and other items of value from SSS. In total, Respondent received:

a. In 2012, at least $100 worth of gift cards from SSS;

b. In 2013, at least $100 worth of gift cards from SSS;

c. In 2014, at least $100 worth of gift cards from SSS;

d. In 2015, at least $100 worth of gift cards from SSS;

e. In May 2015, frozen pizzas worth $99.88 delivered to Respondent's home from SSS;

f. In 2016, at least $100 worth of gift cards from SSS;

g. In March 2016, frozen pizzas worth $99.88 delivered to Respondent's home from SSS;

h. In 2017, at least $740 worth of gift cards from SSS;

i. In February 2019, $300 worth of gift cards from SSS;

j. In December 2019, $330 worth of gift cards from SSS;

k. In 2020, at least $100 worth of gift cards from SSS;

l. In 2021, at least $250 worth of gift cards from SSS;

m. On December 19, 2021, a meal paid by SSS totaling $136.83; and

n. In 2022, at least $100 worth of gift cards from SSS. Stip. ¶14; Motion, ¶12.

7. Bork Transport ("Bork") is a bulk transportation company and a prohibited source. Stip. ¶12; Motion, ¶8.

8. Respondent, in exchange for meals paid by Bork on a monthly basis from 2014 to March 2022, provided Bork with preferential treatment, including the processing of Bork's paperwork ahead of other paperwork, thus bypassing normal CFT procedure. Stip., ¶¶18, 20-21; Motion, ¶10.

9. Respondent did not report any of these gifts to the ILSOS Ethics Officer and knowingly accepted these gifts. Stip., ¶ 23.

10. During the course of his employment with ILSOS, Respondent reported certain items of value received from other prohibited sources to the ILSOS Ethics Officer but failed to report the items of greater value, including those received from SSS and Bork. Stip., ¶24; Motion, ¶11.

CONCLUSIONS OF LAW

1. Petitioner Ana Collazo is the Acting Executive Inspector General for the ILSOS, duly appointed by the Secretary of State. 5 ILCS § 430/20-10(a), (c). Petitioner has broad authority "to investigate allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, or violations of [the Ethics Act] or violations of other related laws and rules." *Id.* at 20-10(c).

2. At all times relevant to the allegations in the Complaint, Respondent was a State employee subject to the State Officials and Employees Ethics Act ("Ethics Act") and subject to the jurisdiction of the Executive Ethics Commission with respect to matters arising under the Ethics Act. *Id.* at 20-5(d).

3. As a State employee, Respondent's "ultimate jurisdictional authority" is the ILSOS, and therefore Respondent is subject to the jurisdiction of the Executive Inspector General for the ILSOS. *Id.* at 1-5, 20-10(a), (c).

4. An Executive Inspector General's investigation may not be initiated more than one year after the most recent act of the alleged violation or of a series of alleged violations except where there is reasonable cause to believe that fraudulent concealment has occurred. *Id.* at 20-20(1).

5. In relevant part, the Ethics Act provides:

> Except as other provided in this Article, no officer, member, or State employee shall intentionally solicit or accept any gift from any prohibited source or in violation of any federal or State statute, rule, or regulation.

Id. at 10-10.

6. A "prohibited source", as defined by the Ethics Act, includes any person or entity who:

> (1) is seeking official action (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee;
>
> (2) does business or seeks to do business (i) with the member or officer or (ii) in the case of an employee, with the employee or with the member, officer, State agency, or other employee directing the employee;
>
> (3) conducts activities regulated (i) by the member or officer or (ii) in the case of an employee, by the employee or by the member, officer, State agency, or other employee directing the employee; [or]
>
> (4) has interests that may be substantially affected by the performance or non-performance of the official duties of the member, officer, or employee[.]

Id. at 1-5(1)-(4).

7. In relevant part, the Ethics Act provides exceptions to the Gift Ban including:

a. Food or refreshments not exceeding $75 per person in value on a single calendar day; provided that the food or refreshments are (i) consumed on the premises from which they were purchased or prepared or (ii) catered;

b. Any item or items from any one prohibited source during the calendar year having a cumulative total value of less than $100.

Id. at 10-15(8) and (12).

8. A member, officer, or employee does not violate the [Ethics Act] if the member, officer, or employee promptly takes reasonable action to return the prohibited gift to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended, renumbered, or succeeded. *Id.* at 10-30.

9. A person who intentionally violates any provision any provision of Article 10 [of the Ethics Act] is guilty of a business offense and subject to a fine of at least $1,001 and up to $5,000. *Id.* at 50-5(c).

10. Respondent engaged in a series of violations of section 10-10 of the Ethics Act by accepting the gifts provided by SSS as described in the Findings of Fact, *supra.*

11. Respondent engaged in a series of violations of section 10-10 of the Ethics Act when he violated the Gift Ban by accepting and soliciting monthly meals paid by Bork as described in the Findings of Fact, *supra.*

STANDARD OF REVIEW

Granting summary judgment in an administrative procedure is comparable to granting summary judgment under section 2-1005 of the Code of Civil Procedure. *Bloom Tp. High School v. Illinois Commerce Comm'n*, 309 Ill. App. 3d 163, 177, 722 N.E.2d 676, 687 (1st Dist. 1999); *Cano v. Vill. Of Dolton*, 250 Ill. App. 3d 130, 138, 620 N.E.2d 1200, 1206 (1st Dist. 1993). Because of the similarities in the procedures, it is appropriate to apply the standards applicable to granting summary judgment under section 2-1005 when reviewing a summary determination entered by an administrative agency. See *Cano*, 250 Ill. App. 3d at 138, 620 N.E.2d at 1206.

Summary judgment is appropriate only where "the pleadings, depositions, and admissions on file, together with affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." 735 ILCS 5/2-1005(c).

Ordinarily, in determining whether a genuine issue as to any material fact exists, the Commission must construe the pleadings and admissions strictly against the movant and liberally in favor of the opponent. "When parties file cross-motions for summary judgment, they mutually agree that there are no genuine issues of material fact and that only a question of law is involved." *Rushton v. Dep't of Corr.*, 2019 IL 124552, ¶13 (Ill. 2019). Here, by filing a joint motion for summary judgment, the parties have gone one step beyond cross-motions for summary judgment and agree that there are no genuine issues of material fact or questions of law. Motion, ¶14; Stip., ¶¶1-32.

ANALYSIS

Respondent stipulated to a series of facts and conclusions of law from which the Commission concludes he engaged in a series of violations of the Gift Ban when he solicited and accepted gifts from SSS and Bork. Respondent does not argue in the Joint Motion for Summary Judgment or elsewhere that any of the statutory exceptions to the Gift Ban in section 10-15 of the Ethics Act apply. 5 ILCS 430/10-15. He does not claim to have disposed of the gifts in accordance with section 10-30 of the Ethics Act, either. *Id.* at 10-30. Consequently, the Commission may levy an administrative a fine of at least $1,001 or up to $5,000 against Respondent for each of his violations of the Ethics Act. 5 ILCS 430/50-5(c).

The Ethics Act does not provide guidance to the Commission to consider when levying a fine. The Commission, has, however, adopted rules that outline fourteen aggravating and mitigating factors that the Commission may consider in assessing an appropriate fine. 2 Ill. Admin. Code 1620.530(b). These factors include the "nature of the violations"; "the scope of the violation or scheme of violations"; "the use of title or position"; "the extent of the use of resources, money, time to the State"; "the extent of a respondent's intent or knowledge of the facts surrounding the violation"; "premeditation"; "the duration of any series of violations"; "position of authority"; "involvement of others, especially other State employees"; cooperation; "impact on an ongoing investigation or the operations of government"; "self-disclosure"; "prior disciplinary record or Ethics Act violation"; and "years of service and type of service with the State." *Id.* Petitioner has not specifically requested a fine of a certain amount or addressed what would be appropriate.

The scope and duration of Respondent's violation of the Gift Ban was substantial. Respondent admits to an ongoing series of violations of the Gift Ban over a span of 10 years. The gifts he admits accepting from SSS during that period totaled at least $2,600 without adjusting for inflation. The record does not include an estimated dollar value for the monthly meals Respondent accepted from Bork for eight years. However, given that Respondent admits all the meals violated the Gift Ban, it seems each meal must have either exceeded $75 in value or not been consumed on the premises where it was purchased or prepared. 5 ILCS 430/10-15(8). Moreover, Respondent admits he used his State position to provide preferential treatment to SSS and Bork in the form of expedited paperwork processing in return for gifts. Beyond that admission, the extent to which Respondent used State resources, money, or time is unclear from the record. However, the evidence in the record of Respondent's *quid pro quo* treatment of Bork and SSS tends to suggest Respondent's actions were premeditated, knowing, and intentional, as does Respondent having reported gifts of lesser value to the ILSOS Ethics Officer and his acknowledgement of having completed ethics training. There is no evidence on the record that Respondent involved other State employees in his acceptance and solicitation of these gifts, and Respondent cooperated with Petitioner's investigation and the instant proceedings. The Commission takes note of this cooperation as a mitigating factor. The record is silent as to whether Respondent has received other disciplinary actions during his 24 years of State employment, but Respondent has no record of prior Ethics Act violations. Jason Copelin's Statement in Mitigation ("Statement"), ¶14. Respondent resigned from State employment on December 31, 2022, after receipt of the notice of his proposed discharge, and he states he has experienced financial hardship and health problems since then. *Id.* at ¶¶10-11, 15.

The Commission has considered the above factors. It has also considered prior Commission fines for violations of the Gift Ban including the $1,000 fine levied in *Hernandez* (18-EEC-011); the $1,000 fine levied in *Periman* (16-EEC-005); and the $1,000 fine and $5,000 fine levied in *Rednour, Jr. and Bliefnick* (14-EEC-006). Respondent's conduct is more severe than the violations committed in *Hernandez*, *Periman*, and *Rednour, Jr. and Bliefnick* when considering the scope and duration of the violations, Respondent's prolonged use of his State position for a *quid pro quo* arrangement to benefit himself, and his evident knowledge of and intent to violate the Gift Ban.

WHEREFORE, based on the undisputed, stipulated facts in the record and the factors in 2 Ill. Admin. Code 1620.530(b), the Commission levies an administrative fine, in total, of $5,000 against Respondent, Jason Copelin, for his violations of 5 ILCS 430/10-10 regarding gifts received from SSS and for his violations of 5 ILCS 430/10-10 regarding gifts received from Bork.

This is a final determination decision subject to the Administrative Review Law.

SO ORDERED.

Date: November 19, 2024

[redacted]

Commissioner

[redacted]

Commissioner

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Collazo v. Copelin (23-EEC-003)

Allegation

The Executive Inspector General for the Illinois Secretary of State alleged that **Jason Copelin** violated the Illinois Ethics Act's **Gift Ban** by knowingly soliciting and accepting gifts from prohibited sources in exchange for expedited processing and preferential treatment in the performance of his State duties.

One-Paragraph Executive Summary

Jason Copelin, an Executive III with the Illinois Secretary of State's Commercial Farm & Truck Division, engaged in a decade-long pattern of accepting gift cards, meals, food deliveries, and other benefits from prohibited sources, including Safety Support Services and Bork Transport. In exchange, he provided expedited processing and preferential treatment for their business matters. The Executive Ethics Commission determined that Copelin knowingly violated the Illinois Ethics Act's Gift Ban, finding the conduct intentional, prolonged, and quid pro quo in nature. The Commission imposed a **$5,000 administrative fine** and noted that the violations were among the more serious Gift Ban cases previously considered.

Gifts from Safety Support Services (SSS)

- Safety Support Services (SSS), a licensed remitter, was a **prohibited source** under the Ethics Act.
- Between **2012 and 2022**, Copelin accepted gifts from SSS in exchange for expedited processing and preferential treatment.
- Gifts included:
    - Annual gift cards ranging from approximately $100 to $740.
    - Frozen pizzas delivered to his home.
    - Meals paid for by SSS.
- Total gifts from SSS exceeded **$2,600**.

Gifts from Bork Transport

- Bork Transport was also a **prohibited source**.
- From **2014 through March 2022**, Bork paid for meals for Copelin on a monthly basis.
- In return, Copelin gave Bork preferential treatment by processing paperwork ahead of other applicants and bypassing normal procedures.

Failure to Report Gifts

- Copelin did not report gifts received from SSS or Bork to the ILSOS Ethics Officer.
- He had previously reported gifts from other prohibited sources, indicating awareness of reporting requirements.

Aggravating Factors

The Commission emphasized:

- Long duration of misconduct (approximately 10 years).
- Quid pro quo exchanges involving gifts for favorable treatment.
- Use of State position for personal benefit.
- Evidence that the violations were knowing, intentional, and premeditated.
- Completion of ethics training while continuing the conduct.

Outcome

Finding: Allegation substantiated. Copelin violated the Illinois Ethics Act's Gift Ban by knowingly accepting gifts from prohibited sources and providing preferential treatment in return.

Penalty

- **Administrative Fine: $5,000.**
- The Commission found Copelin's conduct more severe than prior Gift Ban cases because of the extensive duration, repeated violations, and quid pro quo nature of the misconduct.

Employment Action

- Copelin resigned after receiving notice of his proposed discharge.

Citation

Source: Illinois Executive Ethics Commission, *Collazo v. Copelin*, No. 23-EEC-003, Decision and Final Order (Dec. 12, 2024), available through the Illinois Executive Ethics Commission Ethics Act Decisions database. [eec.illinois.gov]

Illinois Police Officers' Pension Investment Fund

Private Infrastructure Investment Manager Selection

July 31, 2026

- Private Infrastructure finalist interviews were conducted at the June 5, 2026, Board meeting.
- Following the Board interviews, Staff and Albourne conducted final due diligence including two on-site visits.
- All information was evaluated to develop a final recommendation to approve manager selection for a $450 million commitment.
- Staff and Albourne will discuss the finalists and the recommendation.

Illinois Police Officers' Pension Investment Fund

Opportunistic Private Credit Manager Search Request

July 31, 2026

- Staff seeks Board approval to conduct a search for Opportunistic Private Credit Investment Management Services.
- The search targets one or two managers for a total commitment of $250 million.
- Albourne collaborated in the development of the RFP, including the scope of services and the questionnaires.
- Albourne will present education on opportunistic credit and discuss the rationale for prioritizing this search as the next step in the private credit implementation plan.

Illinois Police Officers' Pension Investment Fund

Peoria, IL
www.ipopif.org

MEMORANDUM

DATE: July 22, 2026
TO: IPOPIF Board of Trustees
FROM: Steve Yoon, Investment Officer; Kent Custer, Chief Investment Officer
SUBJECT: Investment Manager Search Request: Opportunistic Private Credit

Recommendation

That the Board of Trustees approve a search for opportunistic private credit investment management services.

Procurement of Investment Services Policy

The Board of Trustees established the Procurement of Investment Services Policy ("Policy"), PP-2021-07, so that all decisions to procure Investment Services will be made with respect for the principles of competitive selection, full disclosure, objective evaluation, and proper documentation. The Policy establishes, among other provisions, competitive selection procedures (Section D), including evaluation factors (Section D.6). Section D.2 establishes that "The Board shall approve when there shall be a search for Investment Services and the parameters of the search based on a recommendation from investment staff or Investment Consultant.

Background

- The IPOPIF long-term asset allocation dedicates 5% to Private Credit.
- IPOPIF's $390 million commitment to Oaktree Blue Credit I L.P (BC1) has been fully funded with a June 30 NAV of $417 million, equating to 2.5% of the Fund. BC1 is a custom multi-credit solution designed to provide core exposure to private credit.
- The primary objective for opportunistic private credit is alpha generation and diversification in the credit portfolio.
- The Private Markets Strategic Plan, including Private Credit, was reviewed at the 12/12/25 Board meeting and Approved at the 2/6/26 Board meeting.
- Staff and Albourne worked collaboratively to evaluate and develop the scope of services for the next private credit search.
- Board Education regarding Opportunistic Private Credit will be provided by Albourne.

Scope of Services

- Staff and Albourne recommend prioritizing opportunistic private credit for the Build-Out Phase.
    - Higher marginal return premium.
    - Current market environment favors flexible capital.
    - Favorable diversification vs. core senior lending.
    - Higher potential risk is offset by pricing and structural power.
- The search may target up to two managers for a total commitment up to $250 million (1.5% of $16 billion).

- While the search prioritizes opportunistic and special situations lending, up to 30% of the mandate may be allocated to other areas of the private credit market.
- Opportunistic private credit compliments existing direct lending focused Oaktree Blue Credit I L.P. (BC1) by providing diversification and higher return/yielding opportunities.

Search Process

- Staff and private markets investment consultant, Albourne, collaborated to develop a robust search process and RFP.
- Consistent with previous searches, a phased approach will be used to optimize the search process, allowing efficient consideration of the broadest pool of candidates and encouraging participation of the best.
    - **Request for Information (RFI)** – Any interested firm may submit a response to the RFI, which includes key information regarding capabilities and the respondent's proposed solution for IPOPIF.
    - **(RFP)** – Following evaluation of the RFI submissions by staff and Albourne, the highest caliber candidates will be invited to submit a full proposal in accordance with the RFP. However, any firm may submit a full proposal.
    - **Semi-finalist Video Interviews** – Following evaluation of the proposals by staff and Albourne, the top-rated firms will be invited to interview with staff and Albourne.
    - **Board Interviews** – The top-rated firms will be invited to interview with the Board. Board questions, feedback, and guidance will inform final due diligence and contract negotiations.
    - **Board Selection** – Staff and Albourne will provide a final report and recommendation in support of Board selection at the next meeting.
- Staff will create a Board portal utilizing Teams to post candidate submissions and evaluation summaries.

Funding Source
Funding and allocation for opportunistic private credit is expected to come from the interim exposure to the emerging markets debt index and high yield index funds managed by SSIM.

Proposed Schedule

Deadline	Milestone
8/3/2026	RFP Posted
8/21/2026	Deadline for RFI submission (Exhibit 1)
9/11/2026	Highest caliber candidates invited to submit full proposal
9/17/2026	Deadline for written questions
9/18/2026	Deadline for answers to written questions
9/25/2026	Deadline for submission of completed proposals
November 2026	Semifinalist video interviews with Albourne and IPOPIF staff

January 2027	Board interviews with finalists and provide feedback and guidance
February 2027	Staff and Albourne complete due diligence and finalize recommendation
March 2027	Final Board recommendation and selection

All deadlines represent 5 PM Central Time

Fees

Private Credit investments generally carry two types of fees: management fee and carried interest (performance fee). While not providing any guidance for this search, We believe typical opportunistic private credit management fees range from 1.25% to 1.50% on committed capital with carried interest ranging from 15-20% subject to performance hurdles of 7-8%. A 1.5% management fee on a $250 million commitment would equate to $3.75 million per year. We would expect these fees to be charged to the investment vehicle rather than invoiced. The amount of fees will depend on the size of the mandate, the fee structure, and investment pacing, and . We note that hurdle rates for carried interest incorporate recoupment of all management fees paid.

Illinois Police Officers' Pension Investment Fund

Strategic Objectives Report Investments – 7/31/26

- The CIO will review investment objectives and status.
- The Board of Trustees may provide feedback and guidance.

Illinois Police Officers' Pension Investment Fund

Peoria, IL
www.ipopif.org

MEMORANDUM

DATE:	July 23, 2026
TO:	IPOPIF Board of Trustees
FROM:	Kent Custer, Chief Investment Officer
SUBJECT:	Investment Strategic Objectives Status Report

Purpose

- Identify Strategic Objectives to support reaching Investment Goals
- Provide status updates including target completion and milestones, if appropriate.
- Seek Board feedback and guidance.

Investment Policy Statement (IPS) Goals:

1. To ensure the assets of the Fund are invested with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would undertake.
2. To earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return, the return of the Broad Benchmark, and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation.
3. To ensure the assets of the Fund are invested in a manner that minimizes and controls the costs incurred in administering and managing the assets.

Background

- Organization-wide strategic planning project conducted during 3Q23 leading to the adoption of a mission statement, vision statement, core values, and organizational goals.
- Staff provided progress reports approximately quarterly.
- In April 2026, CIO initiated alignment of strategic planning into three channels: General Investment Consultant, Private Markets, Operations.
- Private Markets strategic plan was developed in late 2025 and approved by the Board in February 2026.
- Following Cerity selection to continue as IPOPIF General Investment Consultant in April, Staff and Consultant initiated a deep-dive strategic analysis.
- Separately, the CIO is conducting a strategic analysis of investment operations, administration, and compliance.

Summary

- Cerity strategic review including Asset Allocation, IPS, Monitoring, and Reporting is on track. Targeting Board allocation review for 9/15/26 and IPS for 10/16/26
- Albourne private market searches are progressing on track. The Board requested an Executive Summary of the Strategic Plan, but initial drafts were still cumbersome in my (Custer) view. Given elapsed time and progress since the inaugural strategic plan, I am leaning towards a streamlined update in 4Q26.
- Operations efforts are currently focused on recruiting and ACFR support with broader strategic review in the background.

General Investment Objectives, Cerity

1) **Enterprise Risk Tolerance Assessment – Completed**
   a) Trustee and staff interviews and surveys conducted by Cerity in April/May.
   b) Results presented at 6/5/26 Board meeting.

2) **Asset Allocation Study**
   a) Key research topics discussed at 2/6/26 Board meeting.
   b) CIO and consultants refining evaluation and presentation through multiple meetings.
   c) Board presentation targeted for 9/15/26.

3) **Investment Policy Statement**
   a) Annual adoption: 2/6/26
   b) Reviewing manager monitoring language
   c) Targeting Board review on 9/15/26 and approval on 10/16/26.
   d) Sequenced with Asset Allocation Study

4) **Planning and Review**
   a) Cerity created an investment cycle matrix.
   b) Targets rotating asset class deep-dives every 2-3 years
   c) Need to formalize for Board review
   d) Target October or December Board meeting

5) **Public Market Searches**
   a) To be informed by Asset Allocation and Asset Class Reviews
   b) Sequenced with Investment Staffing.

Private Market Objectives, Albourne

1) **Private Market Strategic Plan**
   a) Board approval: 2/6/26
   b) Board requested consolidated summary
   c) Evaluating summary with light-touch update and 2027 search plan for ~4Q26

2) **Private Equity Search**
   a) Completed
   b) Initiated: Board selected Lexington Partners on 3/20/26
   c) Finalized contracts on 6/30/26

3) **Infrastructure Search**
   a) Initiated: 1/20/26
   b) Board Interviews: 6/5/26
   c) Final selection: 7/31/26
   d) Contracting: 10/31/26

4) **Real Estate Search**
   a) Initiated: 4/20/26
   b) RFI and proposal evaluation completed.
   c) Semifinalist interviews in early August

d) Board interviews: 9/15/26
e) Final selection: 10/16/26
f) Contracting: 1/31/27

5) **Private Credit Search #2**
a) Search Approval: 7/31/26
b) RFI review in early Sept.
c) Board interviews: Jan. '27
d) Board Selection: Mar. '27
e) Contracting: June '27

Operations

1) **Recruiting**
a) Investment Officer job posted 6/22/26.
b) HR review meeting 7/6/26.
c) HR screening interviews.
d) Staff interviews in early Aug.
e) Target hiring in 3Q subject to fit.

2) **ACFR Support**
a) Coordinating with Controller, Amy Zick
b) Tasks assigned
c) ~biweekly review meetings
d) 9/10/26 deadline

3) **Sequenced to Recruiting**
a) Compliance monitoring and reporting
b) Special Investment Principle Implementation
i) Proxy Voting
ii) Exclusion Lists

IPOPIF

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 <u>flat</u> 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

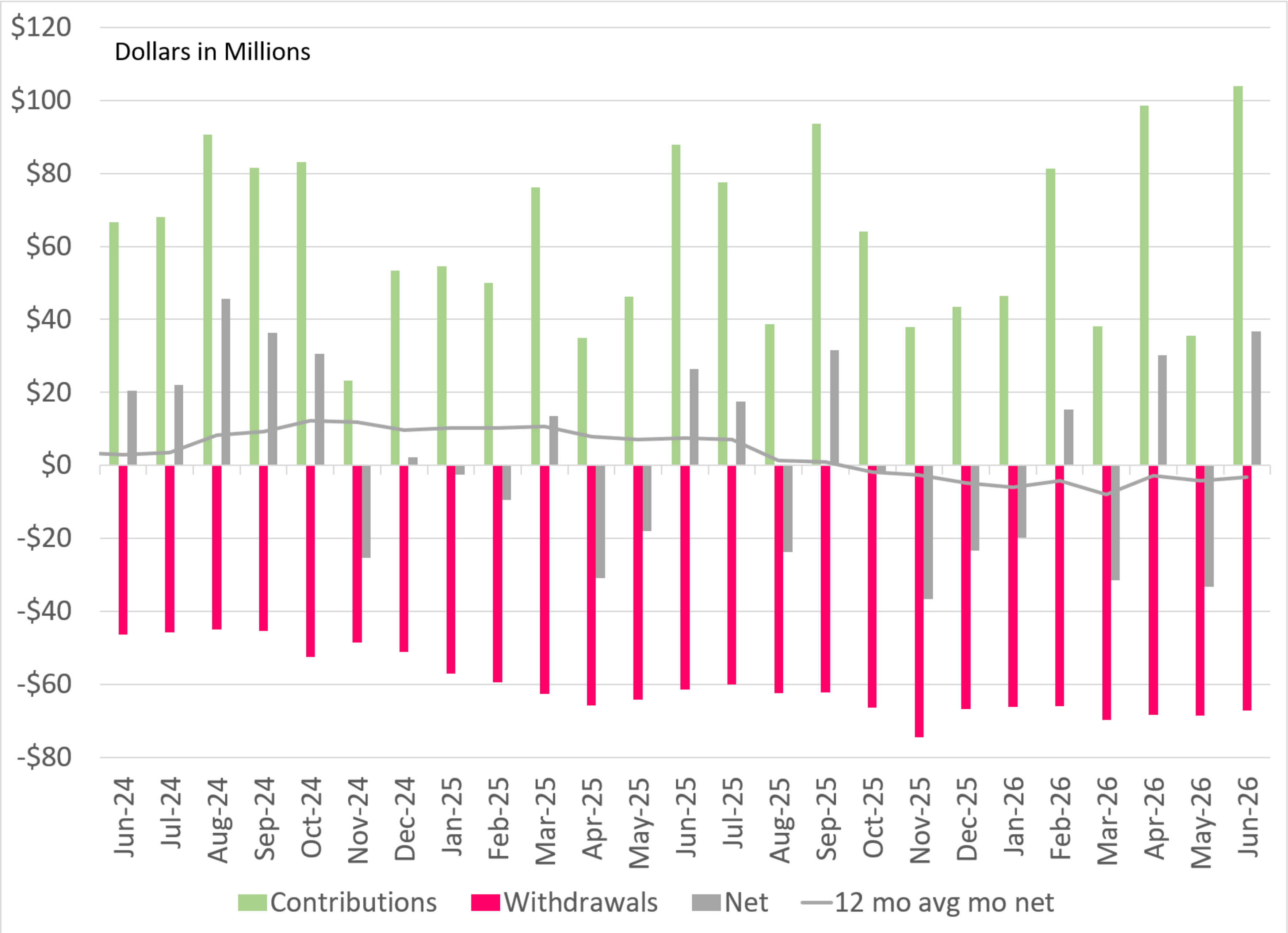
Trade Date	Account	Flow $ mil	Trading Costs $*
1-Jun	ARGA	-20	-54,000
22-Jun	IPOPIF Cash	+20	
10-Jun	Wm Blair	-20	0
12-Jun	IPOPIF Cash	+20	
1-Jul	ARGA	-20	-52,000
22-Jul	IPOPIF Cash	+20	
8-Jul	Wm Blair	-20	0
10-Jul	IPOPIF Cash	+20	
13-Jul	SSIM ST G/C	+125	-24,130
14-Jul	IPOPIF Cash	-125	
13-Jul	SSIM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

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

RICHARD WHITE
EXECUTIVE DIRECTOR

BOARD OF TRUSTEES
JULY 31, 2026

1

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

- HUMAN RESOURCES CONSULTANT MEGAN HOLFORD – LAUTERBACH & AMEN CONDUCTING THE SEARCH.
- RECRUITMENT OPENED – MARCH 2026.
- POSITION ADVERTISED ON IPOPIF WEBSITE, LINKEDIN, INDEED JOB SITE AND IGFOA JOB BOARD,.
- NUMEROUS APPLICATIONS RECEIVED.
- L&A INITIAL SCREENING INTERVIEWS OF APPLICATIONS.

AS OF JULY 31, 2026

2

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

- SPECIAL COMMITTEE FORMED BY THE BOARD OF TRUSTEES FOR APPROPRIATE OVERSIGHT OF THE RECRUITMENT & HIRING PROCESS.
  - TRUSTEE CATAVU
  - TRUSTEE NAWROCKI
  - TRUSTEE POULOS

AS OF JULY 31, 2026

3

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

- SPECIAL RECRUITMENT COMMITTEE MET ON MAY 28, 2026:
  - HUMAN RESOURCES REVIEWED THE SCREENED APPLICANTS WITH THE COMMITTEE.
  - COMMITTEE PROVIDED GUIDANCE ON THE NEXT STEPS:
    - INTERVIEWS WITH THE EXECUTIVE DIRECTOR AND CHIEF INVESTMENT OFFICER.
    - INTERVIEWS WITH THE SPECIAL COMMITTEE.
    - FINALIST INTERVIEWS WITH THE BOARD OF TRUSTES.

AS OF JULY 31, 2026

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

- EXECUTIVE DIRECTOR WHITE AND CHIEF INVESTMENT OFFICER CUSTER MET INDIVIDUALLY (REMOTELY) WITH THE FOUR CANDIDATES. (JUNE 2026).

- ALL FOUR CANDIDATES WERE A PLEASURE TO MEET WITH, ALL HAD PLUSES IN DIFFERENT AREAS, AND ALL FOUR CANDIDATES SHOULD BE INTERVIEWED BY THE SPECIAL COMMITTEE.

AS OF JULY 31, 2026

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

- SPECIAL EXECUTIVE DIRECTOR SEARCH COMMITTEE MEETING SCHEDULED FOR AUGUST 31, 2026:
    - TRUSTEE CATAVU
    - TRUSTEE NAWROCKI
    - TRUSTEE POULOS
- ALL FOUR CANDIDATES ARE SCHEDULED FOR INTERVIEWS BY THE SPECIAL COMMITTEE.

AS OF JULY 31, 2026

EXECUTIVE DIRECTOR RECRUITMENT UPDATE

- BOARD OF TRUSTEES WILL CONDUCT INTERVIEWS WITH THE FINALIST(S) CANDIDATES, AS RECOMMENDED BY THE SPECIAL COMMITTEE, AT SEPTEMBER 15TH MEETING.
- BOARD OF TRUSTEES MAY SELECT THE CANDIDATE, AT THE SEPTEMBER MEETING.
- FINAL HIRING PROCESS, OFFER NEGOTIATION AND BACKGROUND CHECK WILL FOLLOW THE SELECTION.
- START DATE: TO BE DETERMINED

AS OF JULY 31, 2026

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

STRATEGIC PLAN 2024 – 2026

Illinois Police Officers' Pension Investment Fund

STRATEGIC PLAN 2nd QUARTER REVIEW
BOARD OF TRUSTEES
JULY 31, 2026

STRATEGIC PLANNING PROCESS

DEVELOPMENT

- MISSION, VISION, VALUES, STRATEGIC GOALS AND OBJECTIVES
- CONNECTED TO THE OVERALL SUCCESSFUL LEADERSHIP, OVERSIGHT AND ACHIEVEMENT OF THE FUND
- **STRATEGIC PLAN REVIEWED ANNUALLY BY BOARD OF TRUSTEES**

IMPLEMENTATION

- REGULAR PROGRESS REPORTS TO BOARD OF TRUSTEES
- ACTION STEPS BY EXECUTIVE STAFF AND IPOPIF TEAM TO ACHIEVE GOALS AND OBJECTIVES
- CONNECTED TO PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR AND CHIEF INVESTMENT OFFICER

MONITORING

- QUARTERLY REVIEWS BY BOARD OF TRUSTEES
- REPORTING ON THE OBJECTIVES' PROGRESS AND WHO IS RESPONSIBILE FOR THE IMPLEMENTATION
- CONNECTED TO THE BUDGET DEVELOPMENT AND APPROVAL PROCESS

STRATEGIC GOALS

- **INVESTMENT**
  - Generate net returns that exceed the assumed actuarial rate of return
- **GOVERNANCE**
  - Ensure good governance by implementing best practices for accountability and transparency
- **MANAGEMENT**
  - Effectively and efficiently administer the funds to achieve desired results
- **STAKEHOLDER RELATIONS**
  - Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.

STRATEGIC OBJECTIVES

INVESTMENT

Review and revise the asset allocation and Investment Policy Statement

Develop investment plans for private market asset classes

Conduct investment manager searches

Develop compliance monitoring and reporting framework

Expand investment communications

Resolve non-transferable assets

Implement Special Investment Principles

GOVERNANCE

Good governance policy and procedures

Enhance effectiveness of the Board and Organization

MANAGEMENT

Determine desired outputs and services of finance and accounting

Develop, design, and document internal controls, policies and procedures to support outputs and services pertaining to finance and accounting operations

Evaluate current resources and long-term needs to support outputs and services of the finance and accounting operations

Implement the information technology roadmap to align technology with best practices and team resources to achieve organizational goals

Complete the human resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements

Evaluate Fund Office Location and Resource Utilization: Leasing vs. Ownership

Development of Artificial Intelligence, Robotic Process Automation, and Machine Learning to enhance administrative processes and operations

STAKEHOLDER RELATIONS

Effectively provide information to participating pension funds, participants and beneficiaries, municipalities, and other stakeholders

GOAL 1: INVESTMENT OBJECTIVES

Strategic Plan Update for Investment Goal to be provided separately by CIO Custer

GOAL 2: GOVERNANCE OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

OBJECTIVE 2.1 - Good governance policy and procedures
Board of Trustees approved new policies and revisions to existing policies, as required by the policy revision procedure, including the Accounts Payable Policy; Audit and Budget Committee Policy; Budget Administration Policy; Cash Management Policy; Cash Reserve Policy; Compensation Policy; Municipal Reimbursement Policy; and Purchasing and Professional Services Contracting Policy.
Board of Trustees approved the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2025 which was disseminated to our stakeholders in January 2026
Board of Trustees submitted annual Statement of Economic Interests, as mandated by law.
The Board of Trustees approved the Fiscal Year 2027 budget in June 2026

GOAL 2: GOVERNANCE OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

OBJECTIVE 2.2 - Enhance effectiveness of the Board and Organization
Executive Director participated in April CEO Roundtable hosted by NCPERS.
Executive Director attended the Verus/Cerity Partners Institutional Client Summitt, July 20-21, 2026 in Seattle.
Fiduciary Legal Counsel selected by Board for a new five-year engagement at the April Board of Trustees meeting, after the RFP search process.
Board of Trustees conducted regular meetings in April and June.
Audit and Budget Committee conducted a regular meeting in March 2026
Legislative Committee conducted regular meeting in June 2026
Election Committee conducted regular meetings in April and June 2026
Commercial banking relationship with Lake Forest Bank & Trust was extended for two years.

GOAL 3: MANAGEMENT OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

Objective 3.1 - Determine desired outputs and services of finance and accounting
Delayed status pending finance team observations and discussions.

Objective 3.2 - Develop, design, and document internal controls, policies and procedures to support outputs and services pertaining to finance and accounting operations
Delayed status pending finance team observations and discussions.

Objective 3.3 - Evaluate current resources and long-term needs of the finance and accounting operations
Controller Amy Zick attended the GFOA 120th Annual Conference and Pre-Conference, June 26 - July 1, 2026, in Chicago.
Finance team and Executive Director scheduled to review in 3rd Quarter.

GOAL 3: MANAGEMENT OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

Objective 3.4 - Implement the information technology roadmap to align technology with best practices
Committee formed to address the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA compliance issued by the US Department of Justice which is required to be implemented by April, 2028 (recently changed from April, 2027).
Information Technologist Joe Miller and Administrative Analyst Kate Cobb working on revisions to the website including organization of reports, information, and presentation.

GOAL 3: MANAGEMENT OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

Objective 3.5 - Complete the Human Resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements.
Executive Director recruitment was underway during the quarter. A meeting of the Executive Director Special Search Committee was held on May 29, 2026. Executive Director and Chief Investment Officer interviewed four candidates for the position. Formal interviews with the Special Committee are scheduled for August 31st.
Controller recruitment was underway during the quarter. Senior Accountant Zick was hired for the position by the Executive Director, effective July 1 2026.
Finance team and Executive Director scheduled to review the skills, knowledge, and abilities for an accounting position to be added to the current team roster.

GOAL 3: MANAGEMENT OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

Objective 3.6- Evaluate Fund Office Location and Resource Utilization: Leasing v Ownership

Executive Director met with local real estate agency and reviewed relevant listings in the local area, with a few possibilities for continued review.

GOAL 3: MANAGEMENT OBJECTIVES ACCOMPLISHMENTS IN 2ND QUARTER

Objective 3.7-Development of Artificial Intelligence, Robotic Process, Automation, and Machine Learning to enhance administrative processes, and operations.

Team members using AI for daily work processes, including development of enhanced email responses to inquiries.

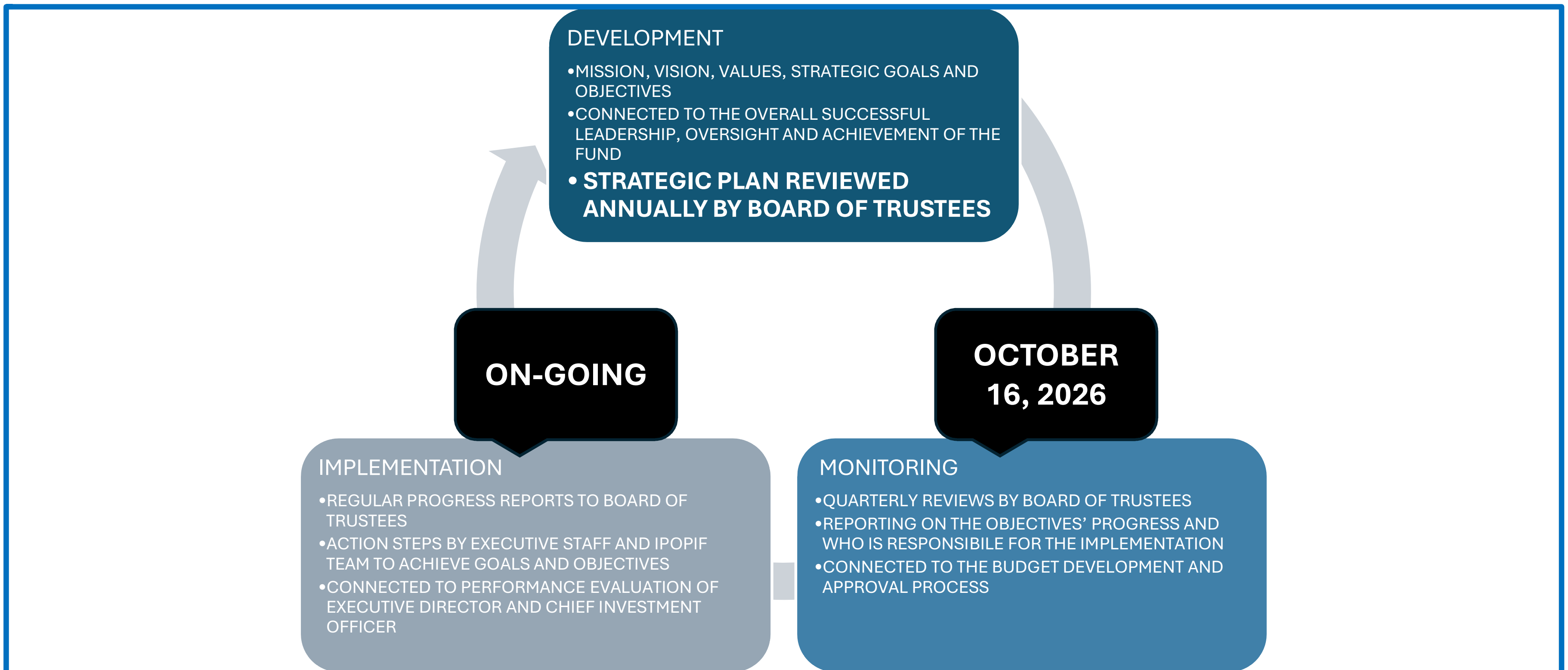
GOAL 4: STRATEGIC RELATIONS OBJECTIVES STATUS UPDATE

Objective 4.1 - Effectively provide information to participating pension funds, participants and beneficiaries, municipalities, and other stakeholders.
Senior Accountant Amy Zick attended the Pontiac Police Pension Fund meeting on April 20, 2026, and presented the Board of Trustees and City Finance Director with the FY 2025 Annual Comprehensive Financial Report (ACFR). She addressed the Pension Board and answered questions. She was also able to network with City leadership and the Pension Board trustees.
Executive Director White presented to the IPPFA 2026 Illinois Pension Conference, April 29, 2026, in Galena.
Executive Director White presented to the IPFA Spring Pension Seminar, May 1, 2026, in Addison.
Newsletters were published and disseminated in January, February/March and April/May 2026
Executive Director White and Chief Investment Officer Custer were interviewed by Pensions & Investments Financial Media, with an article about the Fund published in national media in May 2026.
Shawn Curry, Manager of External Affairs, presented at the IPPFA Certified Trustee Training Program, June 2026.

ADDITIONAL ACCOMPLISHMENTS

OTHER ACCOMPLISHMENTS: Not specifically attributed to a specific goal and objective
Board of Trustees approved the candidates for the Trustee Seats and approved the start of the election process for these seats at the June meeting.
Executive Director and Survey and Ballot Systems meeting to review and coordinate next steps in the election process.

STRATEGIC PLANNING – NEXT STEPS



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STRATEGIC PLANNING – NEXT STEPS

GOAL 2: GOVERNANCE: Ensure good governance by implementing best practices for accountability and transparency.
Next steps during 3rd Quarter, 2026
Trustee Election Procedure started in April 2026 with numerous milestones during 3rd Quarter including Election Day scheduled for September 11th.
Fund to issue RFPs for Actuarial Services after the July Board meeting and expected final action by Board of Trustees at the October Board meeting.
GOAL 3: MANAGEMENT: Effectively and efficiently administer the fund to achieve desired results.
Next steps during 3rd Quarter, 2026
Search continuing for Fund office building and location in the Peoria area on-going. To be completed before the end of the current lease in 2027.
Executive Director recruitment, search and selection schedule for Special Committee meeting in August and Board of Trustees meeting in September.
Finance team and Executive Director scheduled to review the skills, knowledge, and abilities for an accounting position to be added to the current team roster.
GOAL 4: STAKEHOLDER RELATIONS: Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.
Next steps during 3rd Quarter, 2026
Communication enhancements to include web-based presentations.
Executive Director meeting with representatives of the Office of the Governor - July 2026

STRATEGIC PLANNING – NEXT STEPS

GOAL 2 - GOVERNANCE: Ensure good governance by implementing best practices for accountability and transparency.		
Objectives:	**PRIOR STATUS**	**CURRENT STATUS**
Good governance policy and procedures	ON TRACK	ON TRACK
Enhance effectiveness of the Board and Organization	ON TRACK	ON TRACK

GOAL 3 - MANAGEMENT: Effectively and efficiently administer the fund to achieve desired results.		
Objectives:	**PRIOR STATUS**	**CURRENT STATUS**
Determine desired outputs and services of finance and accounting operations	DELAYED	ON TRACK
Develop, design and document internal controls, policies and procedures to support outputs and services of finance & accounting operations	DELAYED	ON TRACK
Evaluate current resources and long-term needs to support outputs and services of the finance and accounting operations	DELAYED	ON TRACK
Implement the information technology roadmap to align technology with best practices and team resources to achieve organizational goals	ON TRACK	ON TRACK
Complete the human resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements	ON TRACK	ON TRACK
Evaluate Fund Office Location and Resource Utilization: Leasing vs Ownership	ON TRACK	ON TRACK
Development of Artificial Intelligence, Robotic Process Automation, Machine Learning, and other advanced technology.	ON TRACK	ON TRACK

GOAL 4: STAKEHOLDER RELATIONS: Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.		
Objectives:	**PRIOR STATUS**	**CURRENT STATUS**
Effectively provide information to participating pension funds, participants and beneficiaries, municipalities, and other stakeholders	ON TRACK	ON TRACK

STRATEGIC PLAN 2024 – 2026

Illinois Police Officers' Pension Investment Fund

STRATEGIC PLAN 2nd QUARTER REVIEW
BOARD OF TRUSTEES
JULY 31, 2026

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: SHEPHERD PUBLIC RELATIONS – ENGAGEMENT LETTER APPROVAL

DATE: JULY 31, 2026

RECOMMENDED ACTION: Approve Shepherd Communication Engagement Letter for period of July 1, 2026, to June 30, 2027, and authorize the Executive Director to execute the agreement.

DISCUSSION:

The Board of Trustees and the Fund have utilized the services of Shepherd Public Relations, LLC for many years for external communications to our stakeholders, service providers, and media – especially the financial services media. These services have greatly expanded the communication reach of the Fund and contributed to the overall mission of the Fund to being a reliable, transparent, and trustworthy steward of the trust fund on behalf of the 357 Article 3 police pension funds.

Shepherd Public Relations LLC specializes in working with the professional institutional finance media and consulting industry, which not only enhances our communications with these groups but greatly assists the efforts of the Executive Director and Chief Investment Officer with our stakeholder relationships.

This engagement letter was reviewed by the Board of Trustees at the June 5, 2026, meeting and staff was requested to revisit the terms of the contract and bring the item back at a subsequent meeting.

456 Fulton Street, Suite 402
Peoria, IL. 61602
(309) 280-6464

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Executive Director White and General Legal Counsel Reimer have revised the terms of the contract and recommend it for approval. The provision regarding indemnification, which was in the original agreement and developed before the current Fund practice regarding indemnification, was removed in order to be consistent with current practice followed with Fund contracts. Otherwise, the engagement letter is as presented to the Board at the June 5th meeting. The provision to contract for a full year of services was kept in the contract, as a gesture of good faith and appreciation for the long service provided by Shepherd Public Relations, which included a reduction in the retainer fees a few years back.

Kim Shepherd will be available for questions and comments.

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Peoria, IL. 61602
(309) 280-6464

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: ACTUARY SERVICES SEARCH

DATE: JULY 31, 2026

RECOMMENDATION: Approve a search for an Actuarial Services firm.

IPOPIF requires a Qualified Actuary to provide actuarial and consulting services to IPOPIF, including but not limited to: (i) a review of the IPOPIF approved asset allocation; (ii) a recommendation on the reasonableness of the IPOPIF's actuarial assumptions; and (iii) preparation of annual actuarial valuations for each Participating Pension Fund to determine the required minimum employer (municipal) contribution for each Participating Pension Fund.

Current actuarial services to the Fund are provided by Foster & Foster under a five-year contract which expires at the end of the year. Contracts are required to be bid every five years in accordance with the Pension Code.

It is anticipated that the contract for Actuarial Services will be for five years and will include performance review periods and termination provisions.

The Executive Director will be responsible for the RFP search process, interaction with the respondent firms and communication with the Board of Trustees.

456 Fulton Street, Suite 402
Peoria, IL. 61602
(309) 280-6464

Illinois Police Officers' Pension Investment Fund

Board of Trustees Meeting Minutes

Friday, June 5, 2026

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Plaza, 456 Fulton St., Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Members of the Board of Trustees:

- Paul Swanlund, Participant Trustee, Chairperson
- Lee Catavu, Participant Trustee, Vice-Chairperson
- Scott Bowers, Participant Trustee, Secretary
- Daniel Hopkins, Beneficiary Trustee
- Mark Poulos, Beneficiary Trustee
- Michael Inman, Municipal Trustee
- Debra Nawrocki, Municipal Trustee
- Philip Suess, Municipal Trustee
- Vacant, Illinois Municipal League Trustee

Attendees:

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Greg Turk, Deputy Chief Investment Officer
- Barbara Meyer, Investment Officer
- Steve Yoon, Investment Officer

- Amy Zick, Senior Accountant
- Matt Roedell, Senior Accountant/Auditor
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist
- Shawn Curry, Manager of External Affairs and Communication

Others Present:

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs, Burns, Orlove & Hernandez, LLP
- Greg Kiesewetter, Cook Castle Associates
- Sean Crawford, Albourne America LLC
- Tim McEnery, Cerity Partners
- Samantha Grant, Cerity Partners
- Scott Whalen, Cerity Partners
- Alex Darden, EQT
- Joe Fuda, EQT
- Adam Howarth, Partners Group
- Andre Burba, Partners Group
- Jeremy Semble, Partners Group
- Joe Swank, Partners Group
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

Agenda

All members of the Board of Trustees, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website and the IPOPIF office meeting room.

Board of Trustees

1. Call Meeting to Order and Roll Call

The meeting was called to order by Chairperson Swanlund at 9:00 A.M.

A roll call was conducted. Eight Trustees were present in the meeting room, and one (1) Trustee seat is vacant. A quorum was established with the required number of six (6) Trustees present in the meeting room.

Board of Trustees Roll Call:

Present:
- Paul Swanlund, Chairperson
- Lee Catavu, Vice-Chairperson
- Scott Bowers, Secretary
- Mark Poulos
- Phil Suess
- Michael Inman
- Daniel Hopkins
- Debra Nawrocki

Absent:
- None

Vacant:
- 1 Trustee seat

All individuals present are reflected in the list of attendees.

2. Remote Meeting Participation

This item was not addressed.

3. Trustee Election - Approval of Candidates and Start of Election Process: Discussion and Potential Action:

Executive Director White presented an update to the Board of Trustees on the current Trustee election, which included the candidates nominated for the Municipal, Beneficiary, and Active seats.

This election for trustee seats was initiated by the Board of Trustees in accordance with the Pension Code and Fund policy at the March 20, 2026, meeting. After the qualification of candidates, the Election Policy provided for a period where the candidate petitions are available for review and a period where the candidate nomination(s) could be challenged. There were no requests to review the candidate petitions, and no challenges to the nomination process were received by the deadline of May 14, 2026.

Following the authorization of the election process at this meeting, the Executive Director shall notify all qualified electors of the scheduled election, and the aforementioned process will be initiated. The Board of Trustees will be kept informed of any significant developments during the election process and will receive updates at the scheduled meetings.

A motion was made by Trustee Poulos and seconded by Trustee Inman to approve the candidates for the seats in the 2026 Trustee Election:

A. MUNICIPAL MEMBER TRUSTEE (1 SEAT)
-Philip J. Suess, Mayor, City of Wheaton.*[Incumbent]*

B. BENEFICIARY MEMBER TRUSTEE (1 SEAT)
-Daniel Hopkins, Collinsville, Retired *[Incumbent]*
-Matthew E. Williams, Rockford, Retired

C. ACTIVE MEMBER TRUSTEE (2 SEATS)
-Lee Catavu, Sergeant, Aurora Police Department *[Incumbent]*
-Scott Ligon, Lieutenant, Springfield Police Department

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

A motion was made by Trustee Poulos and seconded by Trustee Inman to approve the Election Ballot Process for the 2026 Trustee Election.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

<u>4. Fiscal Year 2027 Budget- Review of Insurance Policies: Discussion and Potential Action:</u>
Greg Kiesewetter, Certified Insurance Counselor (CIC), of Cook Castle Associates, reviewed the preliminary insurance coverage renewals with the Board of Trustees at the April 17, 2026, Board of Trustees meeting for the term of July 1, 2026, to June 30, 2027.

Mr. Kiesewetter explained the expiring programs and the recommended renewal options for the coverages which include Fiduciary Liability, Management Liability, Commercial Crime, Cyber Risk, the Business Owners Policy, and Workers' Compensation.

Mr. Kiesewetter answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Nawrocki to approve the insurance policy contracts for the term of July 1, 2026, to June 30, 2027.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

<u>5. Fiscal Year 2027 Budget: Approval of Resolution 2026-03: Discussion and Potential Action:</u>
Executive Director White and Senior Accountant Zick presented the fiscal year 2027 budget to the Board of Trustees.

Executive Director White and Senior Accountant Zick reviewed the overview of the budget development process and the specific categories included in the budget with discussion about the changes from the Fiscal Year 2026 budget.

Executive Director White and Senior Accountant Zick answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Inman to approve and adopt Resolution 2026-03 adopting the budget for the fiscal year 2027, effective July 1, 2026, through June 30, 2027, subject to amending the total based on additional discussions from this meeting.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

Investments

6. Private Infrastructure Investment Manager Search: Interviews of Firms: Discussion and Potential Action:

Deputy CIO (DCIO) Turk briefed the Board of Trustees on two firms that have been selected to come and present as finalist candidates in the RFP search for private infrastructure investment managers. Staff and Albourne are requesting that the Board of Trustees provide guidance and feedback to inform final due diligence before the Board's selection at the July 31, 2026, meeting.

At 9:42 A.M., Adam Howarth, Andre Burba, Jeremy Semble, and Joe Swank from Partners Group presented to the Board of Trustees. Upon conclusion, they answered all questions.

At 9:56 A.M., Samantha Grant, Cerity Partners, joined the meeting.

At 10:34 A.M., Alex Darden and Joe Fuda from EQT presented to the Board of Trustees. Upon conclusion, they answered all questions.

DCIO Turk, Mr. Crawford, and CIO Custer answered all questions.
A robust discussion was held amongst the Board of Trustees, Albourne, and Staff. No formal action was taken today, and the final recommendation for a Private Infrastructure Manager is expected to be made at the July Board of Trustees Meeting.

7. 1Q2026 Quarterly Reporting: Discussion and Potential Action:

Representatives from General Investment Consultant, Cerity Partners, reviewed the investment markets and IPOPIF performance as of March 31, 2026. Quarterly performance reports from both Cerity Partners and Albourne were provided to the Board of Trustees in the agenda materials.

Mr. Whalen and Ms. Grant, Cerity Partners, answered all questions.
Mr. Crawford, Albourne, answered all questions.

9. Chief Investment Officer Report: Discussion and Potential Action:

CIO Custer briefed the Board of Trustees on the performance, asset allocation, funding and rebalancing, cash flow, project activity, non-transferrable assets, and board agenda projections for investments. CIO Custer noted that the Emerging Market Equity ex China weight is above the upper rebalancing range due to exceptionally strong returns. Staff and Cerity agree that the plan of gradual redemptions that has been utilized in recent months prudently addresses the overweight allocation while controlling exit costs.

CIO Custer answered all questions.

8. Investment Strategic Planning Update: Discussion and Potential Action:

CIO Custer reviewed the Investment Strategic Plan framework with the Board of Trustees and highlighted the three main work channels: General Investment Consultant- Cerity Partners, Private Markets- Albourne, and Administration, Operations, and Compliance.

Mr. Whalen and Mr. McEnery, Cerity Partners, briefed the Board of Trustees on the results of the Enterprise Risk Tolerance Assessment that was conducted to help support investment strategic planning.

CIO Custer, Mr. Whalen, and Mr. McEnery answered all questions.

CIO Custer then reviewed the Asset Allocation Research Agenda.

CIO Custer, Mr. Whalen, and Mr. McEnery answered all questions.

Lunch Break

A motion was made by Trustee Inman and seconded by Trustee Poulos to recess for lunch at 12:42 P.M.

Motion carried by voice vote:
Ayes- 8
Nayes- 0
Absent- 0
Vacant- 1

A motion was made by Trustee Nawrocki and seconded by Trustee Poulos to return to public open session following recess.

Motion carried by voice vote:
Ayes- 8
Nayes- 0
Absent- 0
Vacant- 1

The Board of Trustees returned to public session at 1:45 P.M.

Board of Trustees (cont.)

10. Executive Director Recruitment Update: Discussion and Potential Action:

Executive Director White gave an update to the Board of Trustees on the progress of the recruitment for a replacement Executive Director. He provided a proposed tentative timeline of events that has, and will continue to have, the Executive Director Search Committee engaged, as well as Human Resources, and the Board of Trustees.

Executive Director White answered all questions.

11. Executive Director Report: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on administrative and operational activities. Monthly fund reports for each participant fund are available on the IPOPIF website from October 2022 to the present.

Agreed Upon Procedures for Article 3 Funds- Tranches 1 & 2 consolidated results are both completed with all information and findings reported to the Illinois Department of Insurance (IDOI). Tranche 3 is completed, and Tranche 4 is underway, with the results and completion to be on August 14, 2026.

The Annual Comprehensive Financial Report (ACFR) for FY2026 is currently underway.

The next Board of Trustees meeting is scheduled for July 31, 2026, at 9:00 a.m.

Executive Director White answered all questions.

<u>12. Shepherd Communications Engagement Agreement: Discussion and Potential Action:</u>
Executive Director White briefed the Board of Trustees on an engagement letter and updated contract proposal from Shepherd Public Relations, LLC. This engagement letter will be valid from July 1, 2026, to June 30, 2027.

Discussion was held by the Board of Trustees and Executive Director White was asked to clarify two points of the engagement letter with Shepherd Communications and bring the results back to the Board of Trustees at a future meeting.

Executive Director White answered all questions.

<u>13. Board of Trustees Meeting Minutes- April 17, 2026: Discussion and Potential Action:</u>
Executive Director White presented the Board of Trustees Meeting minutes from April 17, 2026, to the Board of Trustees for their approval.

A motion was made by Trustee Inman and seconded by Trustee Nawrocki to approve the Board of Trustees Meeting Minutes from April 17, 2026, as presented.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

14. Semi-Annual Review of Closed Session Meeting Minutes under 5 ILCS 120/2.06(d) and Approval and Release of Closed Session Meeting Minutes (1) September 12, 2025, and (2) February 6, 2026: Discussion and Potential Action:
Executive Director White presented closed session minutes from September 12, 2025, and February 6, 2026, to the Board of Trustees for approval and approval for release.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve closed session minutes from September 12, 2025, and February 6, 2026, and to approve for release, as presented, finding they no longer need to remain confidential.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

15. IPOPIF Election Committee Meeting Minutes - February 6. 2026- Accept: Discussion and Potential Action:
Executive Director White presented the approved Election Committee minutes from February 6, 2026. These minutes are being presented for the Board of Trustees' acceptance, as presented.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to accept the Election Committee meeting minutes from February 6, 2026, as presented.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None

Absent- None
Vacant- 1

16. Financial Statement Approval – April 2026: Discussion and Potential Action:
Executive Director White presented the April 2026 financial statement to the Board of Trustees for their approval.

Executive Director White answered all questions.

A motion was made by Trustee Nawrocki and seconded by Trustee Inman to approve the April 2026 financial statement, as presented.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

17. and 18. Warrant #2026-11 and Warrant #2026-12: Acceptance: Discussion and Potential Action:
Executive Director White presented Warrant #2026-11 and Warrant #2026-12 to the Board of Trustees for their ratification.

Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Hopkins to ratify Warrant #2026-11 and Warrant #2026-12, as presented.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None

Vacant- 1

19. Compensation of Chief Investment Officer: Discussion and Potential Action:

The Board of Trustees reviewed the memorandum that was provided regarding the annual salary compensation of the Chief Investment Officer.

A motion was made by Trustee Inman and seconded by Trustee Catavu to approve the 3.9% salary compensation increase of the Chief Investment Officer.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki

Nayes- None

Absent- None

Vacant- 1

20. Adjourn to Closed/Executive Session: Discussion and Potential Action:

This item was not addressed.

21. Report on Actions Taken in Closed Session (if necessary):

This item was not addressed.

22. Public Comment:

The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)). An opportunity for public comment was provided at 2:04 P.M. No comments were heard, and no discussion was provided.

A request was made by Trustee Suess to change the date for the September Board of Trustees and Election Committee meeting due to a conflicting meeting of the Illinois Municipal League (IML) on the same day. Executive Director White stated that an email will be sent to all Trustees, staff, and service providers to determine a new date in September for the Board of Trustees and Election Committee meetings.

Adjournment

Adjournment:

A motion was made by Trustee Poulos and seconded by Trustee Catavu to adjourn the Board of Trustees Meeting.

Motion carried by roll call vote:
Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Suess, Inman, Hopkins, and Nawrocki
Nayes- None
Absent- None
Vacant- 1

Meeting adjourned at 2:05 P.M.

Respectfully submitted by:

Kate Cobb, Administrative Analyst

Approved by:

Paul Swanlund, Chairperson, Board of Trustees

Scott Bowers, Secretary, Board of Trustees

Date Approved by the Board of Trustees:

Illinois Police Officers' Pension Investment Fund

Audit & Budget Committee Meeting Minutes

Friday, March 20, 2026

A regular meeting of the Audit & Budget Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Plaza 456 Fulton Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Members of the Board of Trustees:

- Phil Suess, Municipal Trustee, Chairperson
- Scott Bowers, Participant Trustee
- Daniel Hopkins, Beneficiary Trustee
- Debra Nawrocki, Municipal Trustee

Attendees:

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Greg Turk, Deputy Chief Investment Officer
- Amy Zick, Senior Accountant
- Matt Roedell, Senior Accountant/ Auditor
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

Others Present:

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC (Zoom)

- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs, Burns, Orlove & Hernandez, LLP
- Paul Swanlund, Participant Trustee
- Mark Poulos, Beneficiary Trustee
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

Agenda

All members of the Audit & Budget Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

1. Call Meeting to Order and Roll Call

The meeting was called to order by Chairperson Hopkins at 1:36 P.M.

A roll call was conducted. Three Trustees were present in the meeting room. A quorum was established with the required number of three Trustees present in the meeting room.

Audit & Budget Committee:

Present:

- Scott Bowers
- Debra Nawrocki
- Daniel Hopkins

Absent

- Phil Suess, Chairperson

All individuals present are reflected in the list of attendees.

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to appoint Trustee Hopkins as the temporary chairperson of the Audit & Budget Committee.

Motion carried by roll call vote:

Ayes: Trustees Bowers, Nawrocki, and Hopkins

Nayes- None

Absent- Trustee Suess

2. Remote Meeting Participation

The item was not addressed.

3. Audit & Budget Committee Meeting Minutes- April 11, 2025: Discussion and Potential Action:

Executive Director White presented the Audit & Budget Committee Meeting Minutes from April 11, 2025, for approval.

Executive Director White answered all questions.

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to approve the Audit & Budget Committee Meeting Minutes from April 11, 2025.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

4. FY 2026 Budget – Status Update: Discussion and Potential Action:

Executive Director White and Senior Accountant Zick presented an up-to-date status of the budget, as well as estimated expenses for the remainder of the fiscal year.

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend presentation of the updated Fiscal Year 2026 budget to the Board of Trustees on April 17, 2026.

Motion carried by voice vote:
Ayes: 3
Nayes: None
Absent- Trustee Suess

5. IPOPIF Governance Documents Review and Recommendations: Discussion and Potential Action:

Executive Director White presented the following policies to the Audit & Budget Committee for review and approval:

- Audit and Budget Committee Policy

- Accounts Payable Policy
- Budget Administration Policy
- Cash Reserve Policy
- Cash Management Policy
- Compensation Policy
- Controller Job Description
- Municipal Reimbursement Policy
- Purchasing and Professional Services Contracting Policy

Executive Director White briefed each policy individually with the members of the committee and answered all questions.

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Audit and Budget Committee Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Accounts Payable Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Budget Administration Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Cash Reserve Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Cash Management Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Compensation Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Controller Job Description, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Municipal Reimbursement Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to recommend to the Board of Trustees the Purchasing and Professional Services Contracting Policy, as reviewed on March 20, 2026.

Motion carried by roll call vote:
Ayes: Trustees Bowers, Nawrocki, and Hopkins
Nayes- None
Absent- Trustee Suess

6. Public Comment:
The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)). An opportunity for public comment was provided at 2:17 P.M. No comments were heard, and no discussion was provided.

Adjournment

Adjournment:
A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to adjourn the Audit & Budget Committee Meeting.

Motion carried by voice vote:
Ayes- 3
Nayes- 0
Absent- Trustee Suess

Meeting adjourned at 2:17 P.M.

Respectfully submitted by:

Kate Cobb, Administrative Analyst

Approved by:

Daniel Hopkins, Temporary Chairperson, Audit & Budget Committee

Date Approved by the Audit & Budget Committee:

Illinois Police Officers' Pension Investment Fund

Election Committee Meeting Minutes

Friday, April 17, 2026

A regular meeting of the Election Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Plaza, 456 Fulton Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Members of the Election Committee:

- Mark Poulos, Chairperson
- Scott Bowers
- Michael Inman
- Debra Nawrocki

Attendees:

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Amy Zick, Senior Accountant
- Matt Roedell, Senior Accountant/ Auditor
- Kate Cobb, Administrative Analyst

- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

Others present:

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

Agenda

All members of the Election Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, the office door, and the door of the meeting room.

<u>1.0- Call to order and Roll Call</u>:

The meeting was called to order at 1:30 P.M. by Chairperson Poulos.

A roll call was conducted. Four Trustees were present. A quorum was established with the 3 required number of Trustees present.

Election Committee:

Present:

- Mark Poulos, Chairperson
- Scott Bowers
- Debra Nawrocki
- Michael Inman

All individuals present are reflected in the list of attendees.

2. Remote Meeting Participation: Discussion and Potential Action:

The item was not addressed.

3.0- Election Committee Meeting Minutes- February 6, 2026: Discussion and Potential Action

The Election Committee minutes were reviewed from February 6, 2026, and discussed by the members of the Committee. Executive Director White answered all questions.

A motion was made by Trustee Bowers and seconded by Trustee Nawrocki to approve the Election Committee meeting minutes from February 6, 2026, as presented.

Motion was carried by a roll call vote.

Ayes: Trustees Poulos, Bowers, Inman, and Nawrocki

Nayes: None

Absent: None

4.0- Board of Trustees Election Procedure Update: Discussion and Potential Action

Executive Director White presented an update on the election process. The update included the Board of Trustees' approval of the updated election policy on March 20, 2026.

The nomination period for the Board of Trustees Member seats opened on April 6, 2026, and will remain open until May 8, 2026.

Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Bowers to receive the Election Committee update, as presented.

Motion was carried by a roll call vote.

Ayes: Trustees Poulos, Bowers, Inman, and Nawrocki

Nayes: None

Absent: None

5.0- Public Comment

The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)). An opportunity for public comment was provided at 1:38 P.M. No comments were heard, and no discussion was provided.

Adjournment:

A motion was made by Trustee Inman and seconded by Trustee Bowers to adjourn the Election Committee meeting.

Motion was carried by a voice vote.

Ayes: 4

Nayes: None

Absent: None

Meeting adjourned at 1:39 P.M.

Respectfully submitted by:

KHCobb

Kate Cobb, Administrative Analyst

Approved by:

Mark Poulos

Mark Poulos, Chairperson, Election Committee

Date Approved by the Election Committee:

Illinois Police Officers' Pension Investment Fund

Legislative Committee Meeting Minutes

Friday, March 20, 2026

A regular meeting of the Legislative Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Plaza, 456 Fulton Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Members of the Legislative Committee:

- Lee Catavu, Participant Trustee, Chairperson
- Michael Inman, Municipal Trustee
- Mark Poulos, Beneficiary Trustee

Attendees:

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Greg Turk, Deputy Chief Investment Officer
- Amy Zick, Senior Accountant
- Matt Roedell, Senior Accountant/ Auditor
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

Others Present:

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC (Zoom)
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP

- Daniel Hopkins, Beneficiary Trustee
- Debra Nawrocki, Municipal Trustee
- Bukola Bello, Vision M.A.I. Consulting
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

Agenda

All members of the Legislative Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

1. Call Meeting to Order and Roll Call

The meeting was called to order by Chairperson Catavu at 1:26 P.M.

A roll call was conducted. Three (3) Trustees were present in the meeting room. A quorum was established with the required number of two Trustees present in the meeting room.

Legislative Committee:

Present:

- Lee Catavu, Chairperson
- Mark Poulos
- Michael Inman

All individuals present are reflected in the list of attendees.

2. Remote Meeting Participation: Discussion and Potential Action (if necessary):

The item was not addressed.

3. Legislative Committee Meeting Approval of Minutes – January 16, 2026: Discussion and Potential Action:

Executive Director White presented the Legislative Committee with the meeting minutes from January 16, 2026, for approval.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Inman to approve the Legislative Committee meeting minutes from January 16, 2026.

Motion carried by roll call vote:
Ayes- Trustees Catavu, Inman, and Poulos
Nayes- None
Absent- None

4. Governmental Liaison Report: Discussion and Potential Action:

Government Liaison Bukola Bello presented the legislative activity report to the Legislative Committee. Ms. Bello provided up-to-date information on items under consideration in the House and Senate.

Ms. Bello answered all questions.

7. Public Comment:

The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)). An opportunity for public comment was provided at 1:35 P.M. No comments were heard, and no discussion was provided.

Adjournment:

A motion was made by Trustee Poulos and seconded by Trustee Inman to adjourn the Legislative Committee Meeting.

Motion carried by roll call/ voice vote:
Ayes- Trustees Catavu, Inman, and Poulos
Nayes- None
Absent- None

Meeting adjourned at 1:36 P.M.

Respectfully submitted by:

KMCobb

Kate Cobb, Administrative Analyst

Approved by:

Lee A Catavu

Lee Catavu, Chairperson, Legislative Committee

Date Approved by the Legislative Committee:

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MONTHLY

FINANCIAL REPORT

FOR THE ELEVEN MONTHS ENDED MAY 31, 2026

MODIFIED CASH BASIS

PREPARED BY: THE STAFF OF THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Illinois Police Officers' Pension Investment Fund
Statements of Fiduciary Net Position
As of May 31, 2026, and 2025

	May 31, 2026	May 31, 2025
Assets		
Cash		
Lake Forest Bank & Trust	$ 111,307	$ 148,366
Total Cash	**111,307**	**148,366**
Receivables and Prepaid Expenses		
Investments		
Investments	16,269,785,626	13,253,489,913
Total Investments	**16,269,785,626**	**13,253,489,913**
Other Assets		
Net IMRF Pension Asset	-	-
Total Other Assets	**-**	**-**
Total Assets	**16,269,896,933**	**13,253,638,279**
Deferred Outflows of Resources		
Deferred outflows related to IMRF Pension	725,658	801,936
Liabilities		
Accrued Expenses		
Payroll & Related	248,605	191,355
Professional	-	2,030
Total Accrued Expenses	248,605	193,385
Other Liabilities		
Net IMRF Pension Liability	446,303	801,012
Total Other Liabilities	446,303	801,012
Total Liabilities	694,908	994,397
Deferred Inflows of Resources		
Deferred inflows related to IMRF Pension	348,056	7,625
Net Position Restricted	**16,269,579,627**	**13,253,438,193**

Illinois Police Officers' Pension Investment Fund
Statements of Changes in Fiduciary Net Position
For the Eleven Months Ended May 31, 2026, and 2025

	May 31, 2026	May 31, 2025
Additions		
Proceeds		
Cash Received from Local Funds	655,278,587	647,289,693
Investments Received from Local Funds	622,812	1,609,813,154
Total Proceeds	**655,901,399**	**2,257,102,847**
Investment Income (Loss)		
Lake Forest Bank & Trust	317	369
Interest	75,211,569	63,922,499
Net appreciation (depreciation) in fair value of investments	2,537,470,720	999,205,970
Investment Income (Loss)	**2,612,682,606**	**1,063,128,838**
Less: Investment Management Fees Paid from the Fund	(6,697,918)	(3,470,146)
Investment Income (Loss) net of Management Fees	**2,605,984,688**	**1,059,658,692**
Total Additions	**3,261,886,087**	**3,316,761,539**
Deductions		
Administrative Expenses		
Board of Trustees & Meetings	(64,204)	(39,430)
Administrative Operations	(1,804,597)	(1,816,306)
Investment Operations	(2,245,197)	(1,576,306)
Total Administrative Expenses	**(4,113,998)**	**(3,432,042)**
Participating Fund Withdrawals	**(731,485,192)**	**(597,470,038)**
Total Deductions	**(735,599,190)**	**(600,902,080)**
Net Increase (Decrease)	**2,526,286,897**	**2,715,859,459**
Net Position Restricted		
Beginning of the Year	13,743,292,730	10,537,578,734
End of the Period	**16,269,579,627**	**13,253,438,193**

Illinois Police Officers' Pension Investment Fund
Additions Report for the Eleven Months Ended May 31, 2026

	Received this Month	Budgeted this Month	Received this Fiscal Year	Budgeted this Fiscal Year
Additions				
Consolidated Funds				
Cash Received from Local Funds	35,420,421	-	655,278,587	-
Investments Received from Local Funds	-	-	622,812	-
	35,420,421	**-**	**655,901,399**	**-**
Investment Income (Loss)				
Interest & Dividends	12,567,305	-	75,211,886	-
Net appreciation (depreciation)	550,850,710	-	2,537,470,720	-
Investment Management Fees Paid from the Fund	(2,433,516)	-	(6,697,918)	-
	560,984,499	**-**	**2,605,984,688**	**-**
Total Additions	**596,404,920**		**3,261,886,087**	

Illinois Police Officers' Pension Investment Fund
Deductions Report for the Eleven Months Ended May 31, 2026

	Expended this Month	Budgeted this Month	Expended this Fiscal Year	Budgeted this Fiscal Year
Expenditures				
Board of Trustees and Meetings				
Board of Trustees and Meetings Expenses				
Professional Services				
Election Services	-	1,312	15,746	15,746
Education and Training	5,053	1,570	20,896	18,843
Meeting Expenses	2,878	2,083	19,802	25,000
Board Member Reimbursements	1,162	1,000	7,760	12,000
Municipal Reimbursements	-	431	-	5,175
	9,093	**6,396**	**64,204**	**76,764**
Administrative Operations				
Personnel				
Administrative Personnel	67,410	69,583	728,098	835,000
Employment Expenses				
FICA/Medicare	5,048	5,000	50,091	60,000
Medical/Dental Benefits	17,012	16,250	170,360	195,000
Unemployment	-	79	748	946
Retirement Benefits	5,723	6,667	61,562	80,000
IMRF Pension Expense	-	8,333	-	100,000
	95,193	**105,912**	**1,010,859**	**1,270,946**
Professional Services				
Finance				
Accounting	-	135	1,619	1,619
Audit - Financial	-	5,183	62,200	62,200
Agreed Upon Procedures - Article 3	-	30,681	131,225	368,175
Government Liaison	6,250	4,979	53,500	59,750
Actuarial Services	-	17,047	139,270	204,565
Outsourced Human Resources	388	625	4,700	7,500
Legal Services				
Legal Services - General	2,684	2,917	22,152	35,000
Legal Services - Fiduciary	13,089	6,884	55,604	82,602
Technology Services	-	375	135	4,500
Other Consulting Services	-	417	1,750	5,000
Communication Services	1,500	1,500	16,500	18,000
	23,911	**70,743**	**488,655**	**848,911**

Illinois Police Officers' Pension Investment Fund
Deductions Report for the Eleven Months Ended May 31, 2026

	Expended this Month	Budgeted this Month	Expended this Fiscal Year	Budgeted this Fiscal Year
Expenditures				
Bank Services and Fees				
Local Bank Fees	297	133	1,383	1,600
	297	**133**	**1,383**	**1,600**
Services & Supplies				
Assets under $5,000	-	417	-	5,000
Insurance	-	10,674	128,089	128,089
Office Lease/Rent	5,375	5,375	59,125	64,500
Printing & Postage	-	667	5,450	8,000
Supplies & Maintenance	458	833	6,765	10,000
Telecommunication	1,269	1,667	18,499	20,000
Contingency	1	1,000	(1)	12,000
Dues / Licenses	1,656	7,303	63,396	87,636
Training & Education	-	500	4,545	6,000
Travel & Transportation	952	833	4,782	10,000
Utilities	-	625	1,020	7,500
Website	430	1,250	12,030	15,000
	10,141	**31,144**	**303,700**	**373,725**
Investment Operations				
Personnel				
Investment Operations Personnel	72,889	76,667	765,832	920,000
Employment Expenses				
FICA/Medicare	5,448	5,000	44,480	60,000
Medical/Dental Benefits	10,289	10,833	108,011	130,000
Unemployment	-	59	428	710
Retirement Benefits	6,188	7,667	74,910	92,000
	94,814	**100,226**	**993,661**	**1,202,710**
Investment & Banking				
General Investment Consultant	106,875	35,625	320,625	427,500
Private Markets Investment Consultant	133,750	44,583	535,000	535,000
Database Subscription	-	3,870	46,430	46,434
Custodial Services	97,704	45,331	349,481	543,977
	338,329	**129,409**	**1,251,536**	**1,552,911**
Total Expenditures	**571,778**	**443,963**	**4,113,998**	**5,327,567**
Participating Fund Withdrawals	**68,647,220**		**731,485,192**	
Total Deductions	**69,218,998**		**735,599,190**	

Warrant #27-01 Paid 7-1-2026

Expenses for Ratification - July 31, 2026 Board Meeting

BOARD OF TRUSTEES and MEETINGS

Education and Training

	Lee Catavu	
6/27/2026	Out of pocket reimbursement for travel and lodging for the Cerity Client Summit in Seattle on July 20-21, 2026	$1,485.96
	Paul Swanlund	
6/30/2026	Out of pocket reimbursement for travel and lodging for the Cerity Client Summit in Seattle on July 20-21, 2026	$1,218.44
	Total Board of Trustees and Meetings Education and Training Expense	**$2,704.40**

Meeting Expenses

	Peoria Expo	
6/5/2026	Table Rental for 16 rectangular tables and 3 round tables with linens including Delivery, Set Up, and Pick Up for June 5, 2026, Board Meeting, Invoice 8981	$345.00
	Samantha Lambert	
6/15/2026	Out of pocket reimbursement for coffee and donuts for June 5, 2026, Board Meeting	$46.60
	Total Board of Trustees and Meetings Meeting Expense	**$391.60**

Board Member Reimbursements

	Lee Catavu	
6/27/2026	Out of pocket reimbursement for travel for June 5, 2026, Board Meeting	$171.10
	Daniel Hopkins	
6/5/2026	Out of pocket reimbursement for hotel, travel, and meal for June 5, 2026, Board Meeting	$383.43
	Michael Inman	
6/5/2026	Out of pocket reimbursement for hotel and travel for June 5, 2026, Board Meeting	$234.06
	Debra Nawrocki	
6/5/2026	Out of pocket reimbursement for hotel and travel for June 5, 2026, Board Meeting	$571.62
	Philip Suess	
6/26/2026	Out of pocket reimbursement for travel for June 5, 2026, Board Meeting	$237.25
	Total Board of Trustees and Meetings Board Member Reimbursements	**$1,597.46**

TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES **$4,693.46**

Warrant #27-01 Paid 7-1-2026

Expenses for Ratification - July 31, 2026 Board Meeting

ADMINISTRATIVE OPERATIONS

Professional Services - Government Liaison

	Vision M.A.I. Consulting	
7/1/2026	Professional services rendered for July 2026, #007	$6,250.00

Professional Services - Actuarial Services

	Foster & Foster, Inc.	
6/16/2026	Preparation of Special Experience Study and Letter Report dated February 19, 2026, Invoice 42326	$44,000.00
6/16/2026	Preparation of Fiscal Year 2025 Actuarial Valuation Reports for 3 participating pension funds, Invoice #42327	$1,680.00
	Total Actuarial Professional Services Expenses	**$45,680.00**

Professional Services - Human Resources

	Lauterbach & Amen, LLP	
5/18/2026	Professional services rendered for April 2026, Invoice #118554	$2,525.00
6/23/2026	Professional services rendered for May 2026, Invoice #119642	$3,837.50
	Total Human Resources Professional Services Expenses	**$6,362.50**

Professional Services - Legal

Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
6/24/2026	Legal services rendered in May 2026 regarding General matters, Private Markets Search, and Infrastructure, Invoice #1498	$11,349.07
	Total Administrative Operations Professional Services Expenses	**$69,641.57**

Services and Supplies

Insurance

	Cook Castle Associates LLC	
6/5/2026	Insurance policy renewal for Directors & Officers / Employment Practices Liability, Fiduciary Liability, and Cyber Risk for 2026-2027, Invoice #4010	$113,598.00
	Chubb	
6/25/2026	Insurance policy renewal for Business Owners and Workers Compensation for 2026-2027	$5,544.00
	Total Services and Supplies, Insurance	**$119,142.00**

Warrant #27-01 Paid 7-1-2026

Expenses for Ratification - July 31, 2026 Board Meeting

ADMINISTRATIVE OPERATIONS (continued)

Services and Supplies (continued)

Office Lease		
	City of Peoria	
7/1/2026	Rent for July 2026	$5,375.00
Supplies & Maintenance		
	AAA Certified Confidential Security Corp	
5/31/2026	On-site confidential records destruction services for May 2026, Invoice #121339	$47.10
	The Cleaning Source	
6/23/2026	Weekly cleaning service, June 2026, Invoice #IP0626	$208.00
	Primo Brands	
5/26/2026	Water cooler rental, 5/13/2026 to 6/9/2026, Invoice #06E8760233052	$21.98
6/23/2026	Water cooler rental, 6/10/2026 to 7/7/2026 and water delivery, Invoice #06D8760233052	$45.96
	Total Services and Supplies, Supplies & Maintenance	**$323.04**
Telecommunications		
	AmeriCALL	
6/4/2026	Monthly telephone charges, 6/4/26 - 7/3/26, Invoice #4159471	$318.51
	AT&T Mobility	
6/1/2026	Monthly wireless cell phone service, 6/2/26 - 7/1/26, Invoice #287302376880X06092026	$899.10
	Comcast	
6/12/2026	Monthly data, voice secure packaged services, 6/16/26 - 7/15/26	$446.44
	Total Services and Supplies, Telecommunications	**$1,664.05**
Dues & Licenses		
	ADP, Inc.	
5/29/2026	Processing charges for period ending May 15, 2026, Debit #722351432	$118.88
6/12/2026	Processing charges for period ending May 31, 2026, Debit #723304602	$118.88
	Levi, Ray & Shoup, Inc.	
6/3/2026	LRS Axcient CloudFinder for Office 365 backup, 24 licenses, May 2026, Invoice #365849	$120.00

Warrant #27-01 Paid 7-1-2026

Expenses for Ratification - July 31, 2026 Board Meeting

ADMINISTRATIVE OPERATIONS (continued)

Services and Supplies (continued)

Dues & Licenses (continued)

	Thomson Reuters	
6/12/2026	NetStaff CS Web Services fees, May 2026, Invoice #12171111	$489.00
	Total Services and Supplies, Dues & Licenses	**$846.76**

Travel & Transportation

	Katherine Cobb	
6/4/2026	Out of pocket reimbursement for parking fees, June 2026	$81.20
	Samantha Lambert	
6/4/2026	Out of pocket reimbursement for parking fees, June 2026	$81.20
	Barb Meyer	
6/9/2026	Out of pocket reimbursement for hotel and travel for June 5, 2026, Board Meeting	$367.96
	Greg Turk	
6/3/2026	Out of pocket reimbursement for parking pass 20-pack and daily parking	$85.00
6/3/2026	Out of pocket reimbursement for Infrastructure on-site travel to Partners Group, June 10-11, 2026	$957.60
	Steve Yoon	
6/8/2026	Out of pocket reimbursement for travel for June 5, 2026, Board Meeting	$258.10
6/17/2026	Out of pocket reimbursement for Infrastructure on-site travel to Partners Group, June 10-11, 2026	$875.89
	Amy Zick	
6/4/2026	Out of pocket reimbursement for parking pass 20-pack and daily parking	$97.00
	Total Services and Supplies, Travel & Transportation	**$2,803.95**

Website

	Levi, Ray & Shoup, Inc.	
6/3/2026	Website hosting and related support, May 2026, Invoice #365848	$200.00
	Total Administrative Operations Services and Supplies Expenses	**$130,354.80**

TOTAL ADMINISTRATIVE OPERATIONS EXPENSES	**$199,996.37**

Warrant #27-01 Paid 7-1-2026

Expenses for Ratification - July 31, 2026 Board Meeting

INVESTMENT OPERATIONS		
Investment & Banking		
Investment Management		
	MetLife Investment Management	
6/22/2026	Investment Management Services for the period February 4, 2026 to March 31, 2026, Invoice #LP-HY-IPOPQ126	$142,709.82
	Total Investment & Banking Investment Management	**$142,709.82**
Dues & Licenses		
	Kent Custer	
6/9/2026	Out of pocket reimbursement for CFA Institute Professional Society Annual dues for the year ending June 30, 2027	$399.00
	Total Investment Operations Investment & Banking Expenses	**$143,108.82**
TOTAL INVESTMENT OPERATIONS EXPENSES		**$143,108.82**
TOTAL EXPENSES FOR RATIFICATION		**$347,798.65**

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: ADJOURN TO CLOSED SESSION (If NECESSARY)

DATE: JULY 31, 2026

Should the Board of Trustees desire to enter Closed Session, the Board of Trustees will entertain and pass a motion to enter into and return from Closed Session:

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456 Fulton Street, Suite 402
Peoria, IL. 61602
(309) 280-6464

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: REPORT ON ACTIONS TAKEN IN CLOSED SESSION (If NECESSARY)

DATE: JULY 31, 2026

In accordance with the Open Meetings Act, a report on actions taken in closed session will be provided in open session after the Board of Trustees has entered into Closed Session.

456 Fulton Street, Suite 402
Peoria, IL. 61602
(309) 280-6464

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: PUBLIC COMMENTS

DATE: JULY 31, 2026

RECOMMENDED ACTION(S): Receive public comments.

The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)).

The opportunity for public comments will be provided for during this meeting in accordance with the OMA.

456 Fulton Street, Suite 402
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