



Illinois Police Officers' Pension Investment Fund

Investment Update

As of 9/4/25

Performance Update

	CY25 Jan. - June	FY25 July – June	3 years As of 6/30/25	Since Incept. 4/22
IPOPIF Pool	+8.7%	+13.1%	+11.3%	6.7%
Policy Benchmark	+8.2%	+12.6%	+11.1%	6.6%
Broad Benchmark	+9.1%	+13.9%	+12.6%	6.7%

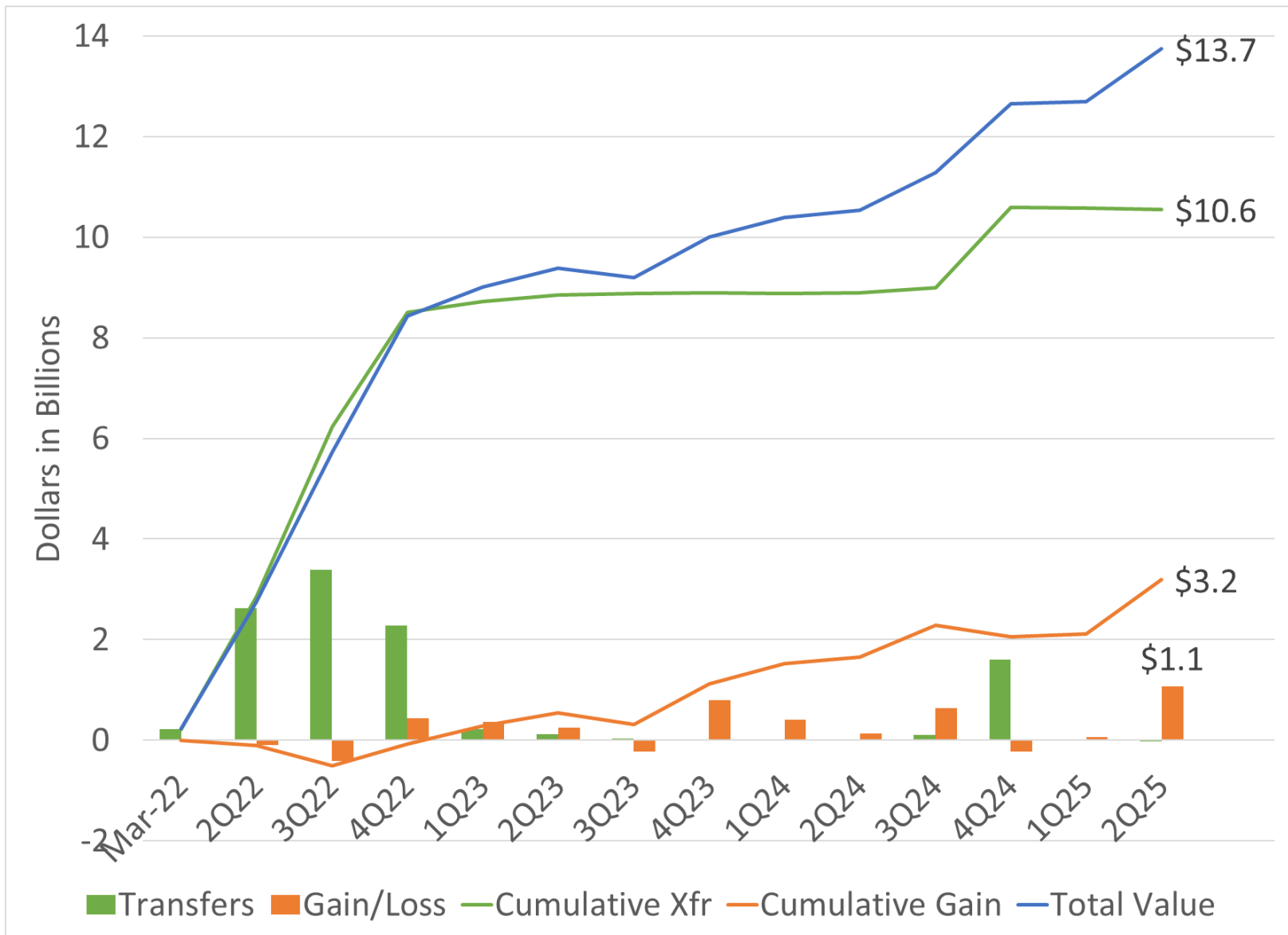
- Returns for periods longer than one year are annualized.
- IPOPIF Performance is net of investment management fees.
- Policy Benchmark – Weighted average of asset class benchmarks; gauges success of implementation (currently less stock exposure than the broad benchmark).
- Broad Benchmark – 70/30 global stocks/bonds; gauges success of asset allocation.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year.

Preliminary data indicates that the Fund returned 0.5% in July and greater than 2% in August.

Performance Platform Variance

- Participant reporting from State Street/NRS is based on daily valuation using the most recent data available. The methodology facilitates daily liquidity and timely reporting.
- Investment reporting by Verus is based on monthly valuation using best available information by reporting deadlines.
- Differences between NRS and Verus reporting have been modest but increased in 2Q25 due to market volatility and strong returns at certain active managers with lagged reporting. These differences are only due to timing and will oscillate over time.
- As of June 30, 2025, the valuation difference was \$60 million (44 bps) higher on the Verus report, and the 12-month return was 0.36% (36 bps) higher.
- As of July 31, 2025, the valuation difference was \$2.9 million (2 bps) higher on the Verus report, and the 12-month return was 0.17% (17 bps) lower.
- Staff has reviewed alternate reporting processes, but the current process is preferred in order to provide daily liquidity with equitable treatment of cash flows.

IPOPIF Growth



FY 25 Performance Commentary

- **3Q24** – The investment pool was up 6.1% for the quarter ended 9/30/24, driven by continued economic strength and declining interest rates. Equity participation broadened with US Small Cap and International Stocks taking the lead. REITs were the overall leader for the quarter, returning 15.5%. China stocks spiked from mid-September into early October on news of government support but have subsequently reverted.
- **4Q24** – The investment pool was down 1.9% for the quarter ended 12/31/24, driven by weakness in international stocks and the negative impact of higher interest rates on fixed income and REITs.
- **1Q25** – The investment pool was up 0.4% for the quarter ended 3/31/25 as January optimism was replaced with economic uncertainty, driven by a rapidly changing tariff landscape.
- **2Q25** was a roller coaster as the Fund experienced a 6% drawdown in early April on tariff panic which was quickly mollified and the Fund ended up +1.2% for the month. The “Relief Rally” continued with the fund gaining 8.3% for the quarter. International Small Cap and Emerging Market Equities led the charge.

12-Month Returns as of 6/30/25

Manager - 1 year	Return	Index	Excess
LSV International Small Cap Value Equity Fund	29.7%	19.8%	9.9%
WCM International Small Cap Growth Fund	29.1%	18.3%	10.8%
Acadian ACWI ex US Small-Cap Fund	22.3%	18.3%	3.9%
SSgA Non-US Developed Index	19.1%	18.7%	0.4%
RhumbLine Russell 1000 Index	15.7%	15.7%	0.0%
SSgA EMD Hard Index Fund	10.4%	10.0%	0.4%
SSgA High Yield Corporate Credit	10.3%	10.2%	0.0%
SSgA REITs Index	8.1%	8.1%	0.0%
RhumbLine Russell 2000 Index	7.7%	7.7%	0.0%
Ares Institutional Loan Fund	7.6%	7.5%	0.1%
Aristotle Institutional Loan Fund	7.1%	7.5%	-0.4%
SSgA US TIPS Index	6.6%	6.5%	0.1%
SSgA Core Fixed Income Index	6.1%	6.1%	0.0%
SSgA Short-Term Gov't/Credit Index	6.0%	5.9%	0.1%
SSgA US Treasury Index	5.3%	5.3%	0.0%
Principal USPA	2.8%	2.5%	0.3%

This table provides a quick performance snapshot. Please see the Verus quarterly report for important additional data and perspective.

YTD (6-mo) Returns as of 6/30/25

Manager - YTD	Return	Index	Excess
LSV International Small Cap Value Equity Fund	28.4%	21.2%	7.2%
ARGA Emerging Markets Ex China Equity	26.8%	14.5%	12.2%
WCM International Small Cap Growth Fund	24.0%	17.7%	6.3%
SSgA Non-US Developed Index	19.4%	19.0%	0.4%
Acadian ACWI ex US Small-Cap Fund	18.4%	17.7%	0.7%
Capital Group Emerging Markets Debt	9.6%	8.5%	1.1%
William Blair Emerging Markets ex China Growth Fu	7.7%	13.9%	-6.1%
RhumbLine Russell 1000 Index	6.1%	6.1%	0.0%
SSgA EMD Hard Index Fund	5.7%	5.6%	0.1%
SSgA High Yield Corporate Credit	4.5%	4.6%	-0.1%
SSgA US TIPS Index	4.1%	4.0%	0.0%
SSgA Core Fixed Income Index	4.0%	4.0%	0.0%
SSgA US Treasury Index	3.8%	3.8%	0.0%
SSgA Short-Term Gov't/Credit Index	2.9%	2.9%	0.0%
Aristotle Institutional Loan Fund	2.9%	3.0%	0.0%
Ares Institutional Loan Fund	2.7%	3.0%	-0.2%
Principal USPA	1.9%	1.7%	0.2%
SSgA REITs Index	-0.6%	-0.6%	0.0%
RhumbLine Russell 2000 Index	-1.8%	-1.8%	0.0%

This table provides a quick performance snapshot. Please see the Verus quarterly report for important additional data and perspective.

YTD adds ARGA, W. Blair, and Cap Group.

Active Manager Value Add – 6/30/25

month =>	2025-06					Fee %
	Start	End \$M	GVA	Fees	NVA	of GVA
Acadian	Jan 2024	376	23,296,942	2,437,543	20,859,399	10.5%
LSV	Mar 2024	200	17,866,038	1,676,436	16,189,602	9.4%
WCM	Mar 2024	199	13,107,516	1,282,801	11,824,715	9.8%
ARGA	Dec 2024	466	33,525,028	1,317,045	32,207,983	3.9%
Wm Blair	Dec 2024	456	(5,077,653)	800,166	(5,877,818)	Neg GVA
Capital Grp.	Nov 2024	208	2,529,700	436,734	2,092,967	17.3%
Ares	Mar 2024	135	637,885	385,307	252,578	60.4%
Aristotle	Mar 2024	271	(228,116)	951,907	(1,180,022)	Neg GVA
Principal	Jan 2023*	218	6,368,827	3,624,812	2,744,015	56.9%
Total		2,529	92,026,169	12,912,751	79,113,418	14.0%

Source: Investment Staff Calculations

NAV - Net Asset Value

*Principal value add measured
subsequent to asset consolidation

GVA - Gross Value Add (before fees)
NVA - Net Value Add (after fees)

- The Value-add model compares the ending value of an investment to a theoretical investment in the benchmark with the same cash flow dates. Fees and value added are cumulative since inception.
- Manager evaluation is multifaceted and should take a long-term perspective. This is only one view.
- The short timeframe summarized above provides a baseline but is not sufficient for meaningful conclusions.

Funding and Rebalancing

Trade Date	Account	Flow \$ mil	Trading Costs \$
1-Jul	Oaktree PC	+75	
1-Jul	IPOPIF Cash	-75	
1-Jul	SSGA High Yield	-75	+23,023
2-Jul	IPOPIF Cash	+75	
1-Aug	Oaktree PC	+75	
1-Aug	IPOPIF Cash	-75	
1-Aug	SSGA High Yield	-75	+51,627
2-Aug	IPOPIF Cash	+75	
26-Aug	RhumbLine R1000	-105	-3,510
27-Aug	IPOPIF Cash	+105	
27-Aug	SSGA REIT	+57	-2,187
28-Aug	IPOPIF Cash	-57	
2-Sep	Oaktree PC	+65	
2-Sep	IPOPIF Cash	-65	
2-Sep	SSGA High Yield	-25	-1,705
3-Sep	IPOPIF Cash	+25	

- Tranche #3 of Oaktree Private Credit funding.
- Tranche #4 of Oaktree Private Credit funding
- Trimmed RhumbLine to target. Proceeds used to fund contributions to REITs and Oaktree.
- SSGA REIT rebalanced to target.
- Final Tranche #5 of Oaktree Private Credit funding totaling \$390 million.

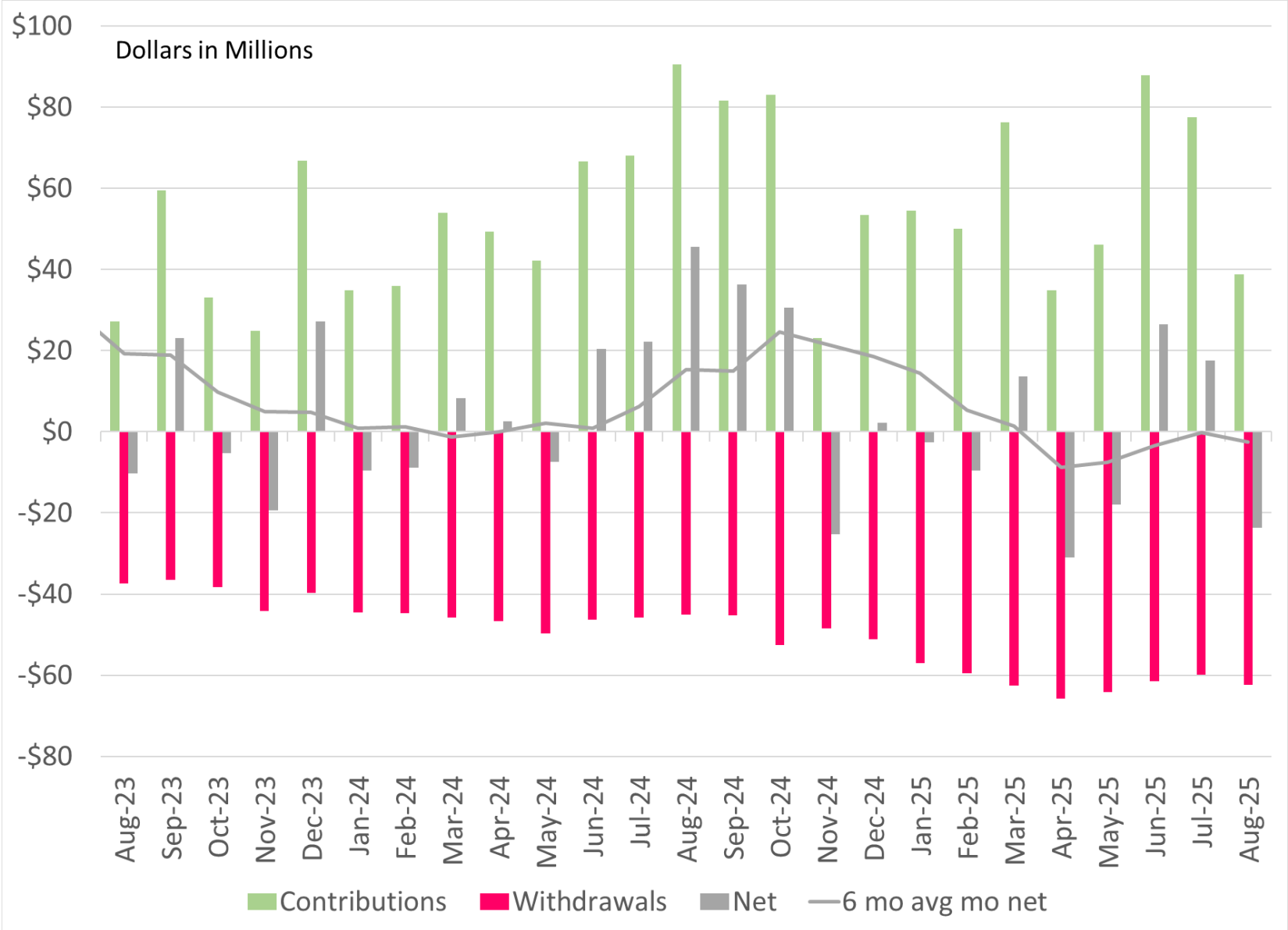
Trading costs include commissions, custody charges, and market impact adjustments, which can be positive (i.e., gain).

Asset Allocation

9/3/25

	Current			Target			Variance	
Account	\$M	%		\$M	%		\$M	%
Growth	8,427	59.8%		8,168	58.0%		259	1.8%
RhumbLine US Large	3,246	23.0%		3,239	23.0%		7	0.0%
RhumbLine US Small	741	5.3%		704	5.0%		37	0.3%
SSGA Non-US Developed	2,717	19.3%		2,676	19.0%		41	0.3%
Intl. Small Cap (3 mgrs)	795	5.6%		704	5.0%		91	0.6%
Acadian	390	2.8%		352	2.5%		38	0.3%
LSV (1 day lag)	207	1.5%		176	1.25%		31	0.2%
WCM (monthly)	198	1.4%		176	1.25%		22	0.2%
EME ex China (2 mgrs)	928	6.6%		845	6.0%		83	0.6%
ARGA (monthly)	467	3.3%		422	3.00%		44	0.3%
William Blair	461	3.3%		422	3.00%		38	0.3%
Income	2,218	15.7%		2,253	16.0%		(36)	-0.3%
SSGA High Yield	600	4.3%		563	4.00%		36	0.3%
EM Debt (2 mgrs)	815	5.8%		845	6.0%		(30)	-0.2%
Cap Group EMD	213	1.5%		211	1.5%		1	0.0%
SSGA EM Debt	602	4.3%		634	4.5%		(32)	-0.2%
Bank Loans (2 mgrs)	410	2.9%		422	3.0%		(12)	-0.1%
Ares (monthly)	136	1.0%		141	1.0%		(4)	0.0%
Aristotle (monthly)	274	1.9%		282	2.0%		(8)	-0.1%
Oaktree Priv. Cred.	393	2.8%		422	3.00%		(29)	-0.2%
Real Assets	783	5.6%		845	6.0%		(61)	-0.4%
SSGA REITS	564	4.0%		563	4.0%		0	0.0%
PRINCIPAL USPA	220	1.6%		282	2.0%		(62)	-0.4%
Risk Mitigation	2,655	18.9%		2,817	20.0%		(162)	-1.1%
Cash Accounts	160	1.1%		141	1.0%		19	0.1%
SSGA ST GOV-CREDIT	1,347	9.6%		1,408	10.0%		(61)	-0.4%
SSGA TIPS	384	2.7%		422	3.0%		(38)	-0.3%
SSGA US TREASURY	380	2.7%		422	3.0%		(43)	-0.3%
SSGA CORE BONDS	383	2.7%		422	3.0%		(40)	-0.3%
Legacy Transition Bonds	1.0	0.0%		-	0.0%		1	0.0%
Total Investment Pool	14,083	100.0%		14,083	100.0%			

Monthly Participant Fund Cash Flow



Private Markets Implementation

- Substantial engagement with Albourne
 - Weekly all-hands strategy meeting
 - Supplemental project and subject meetings
 - Training sessions on Albourne's database and tools
 - July on-site in Peoria
 - Private Market Strategic Plan
 - Private Equity Search Preparation

Search Updates

- US Active Small cap equity search process completed
 - Board interviews and selection at the Sept. 12 Board meeting
 - Expect to engage approved transition manager to facilitate funding
- US Active High Yield Bond manager search on track
 - Proposals due 9/12/25
 - Semifinalist interviews targeted for late October
 - Board interviews and selection targeted for Dec. 12 Board meeting
- General Consultant search on track
 - Proposals due 9/12/25
 - Selection of finalist candidates at the Dec. 12 Board meeting
 - Finalist interviews and selection at January 2026 Board meeting

Manager Updates

- LSV – International Small Cap (value)
 - Amended fee schedule adds flat rate of 75 bps when average AUM exceeds \$200M for the quarter. This equates to ~\$174K annual savings at \$200M AUM.
 - 6/13/25 court hearing re civil complaint by four former employees
 - Related to 2024 buyout of company equity upon retirement
 - The court granted LSV's motion to dismiss the fraudulent misrepresentation claim but denied LSV's motion on two other claims and permitted Plaintiffs to file an amended fraud claim.
 - Another hearing is scheduled for October 2025.
 - Staff and Verus maintain high conviction in the LSV investment process and note strong outperformance for IPOPIF.
- Aristotle (Bank Loan) PM transition announced in July
 - Co-portfolio manager, JP Leasure will be relieved of portfolio management responsibilities in January 2026. He will continue his Executive Management Committee responsibilities through January 2027 and remain in a strategic advisory role for the next four years.
 - His responsibilities on portfolio management and Executive Management Committee will be replaced by Michael Marzouk, who has been a co-portfolio manager on the bank loans strategy since 2011. The team also added Bob Boyd, CLO portfolio manager, and promoted Tommy Zhang to a portfolio manager.
 - Staff and Verus view this as reasonable succession development with appropriate lead time and follow-on structure. We retain high conviction in the firm and bank loan strategy.
- Oaktree private credit platform
 - 390M commitment fully funded as of 9/2/25.
 - 8.5% private loan exposure is consistent with 3-year pacing plan.

Transition Update

- Received \$619K of mortgage-backed securities from the Evanston Police Pension Fund on 8/20/25, which were transferred to the legacy transition bond account on 8/26/25.
- No future transfers of securities are expected or allowed. All contributions must be in cash.
- The Venice Police Pension Fund became an IPOPIF participant with a \$1K trial cash contribution in late July followed by another \$224K in early August.
- IPOPIF now has 352 participant funds.

Board Agenda Projection

- 10/17/25
 - Strategic Plan Review
 - Principal RE review
 - Custodian review
 - Private Markets Real Assets/Real Estate Discussion
- 12/12/25
 - Quarterly Performance
 - HY Bond interviews
 - Select General Consultant Finalists
- January 2026
 - Strategic Plan Review
 - IPS and SAA review
 - Private Equity Interviews
 - General Consultant interview/selection
 - (Contract begins May 2026)
- March 2026
 - Quarterly Performance
 - IPS and SAA adoption
 - Private Equity Selection
- 2026 TBD
 - Real Estate search
 - Real Assets search
 - Private Credit Search

For discussion and planning purposes. Subject to revision.