



# Illinois Police Officers' Pension Investment Fund

## Board of Trustees Meeting- October 16, 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, October 16, 2026, at 10:00 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](https://www.zoom.us)

Meeting ID: 831 9025 3956

Passcode: 844953

Join Zoom Meeting via Dial-In:

Dial In: (312) 626-6799

Meeting ID: 831 9025 3956

Passcode: 844953

Board of Trustees: Trustee Bowers (Secretary); Trustee Catavu (Vice Chair); Trustee Hopkins; Trustee Inman; Trustee Nawrocki; Trustee Poulos; Trustee Pruyn; Trustee Suess; Trustee Swanlund (Chair).

October 16, 2026 10:00 AM Central Time (US and Canada)

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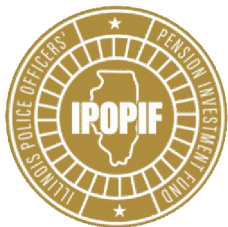
Board of Trustees (Continued) (1:15 PM)

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Adjournment (2:00 PM)

**NOTICE:** 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.



## BOARD MEMBERS

### Scott Bowers

Participant Representative  
Peoria, IL

### Lee Catavu

Participant Representative  
Aurora, IL

### Paul Swanlund

Participant Representative  
Bloomington, IL

### Daniel Hopkins

Beneficiary Representative  
Collinsville, IL

### Mark Poulos

Beneficiary Representative  
Rock Island, IL

### Michael Inman

Municipal Representative  
Macomb, IL

### Debra Nawrocki

Municipal Representative  
Elgin, IL

### Phil Suess

Municipal Representative  
Wheaton, IL

### Jeff Pruyn

Illinois Municipal League  
Representative

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### BOARD OF TRUSTEES MEETING

FRIDAY, OCTOBER 16, 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

(309) 280-6464 [www.ipopif.org](http://www.ipopif.org)



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES MEETING

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: REMOTE MEETING PARTICIPATION

DATE: OCTOBER 16, 2026

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**RECOMMENDATION:** Motion to allow Trustee \_\_\_\_\_ to participate in the October 16, 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.**



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: 2026 BOARD OF TRUSTEE ELECTION – CERTIFICATION

DATE: OCTOBER 16, 2026

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### RECOMMENDED ACTION:

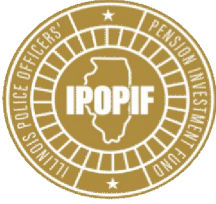
Declare the election of candidates for the Board of Trustees completed and certify the election of the following candidates to the Board of Trustees for the term of January 2027 through December 2030:

- **MUNICIPAL MEMBER TRUSTEE (1 SEAT)**
  - Philip J. Suess, Mayor, City of Wheaton. *[Incumbent]*
- **BENEFICIARY MEMBER TRUSTEE (1 SEAT)**
  - Daniel Hopkins, Collinsville, Retired *[Incumbent]*
- **ACTIVE MEMBER TRUSTEE (2 SEATS)**
  - Lee Catavu, Sergeant, Aurora Police Department *[Incumbent]*
  - Scott Ligon, Lieutenant, Springfield Police Department

---

### **A. INTRODUCTION**

As provided for in the statute, the Board of Trustees shall administer the election for the permanent Board of Trustees. (40 ILCS 5/22B-116). The trustees seated in this election will serve a four-year term of office beginning in January 2027 through December 2030.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### **B. NOMINATION OF CANDIDATES FOR ELECTION OF TRUSTEES**

The Board of Trustees, in accordance with the pension code and Fund policy, opened the election process effective on March 20, 2026. The first step in the trustee election process was the nomination of candidates which opened on April 6, 2026, and closed on May 8, 2026.

All nomination petitions complied with the pension code (40 ILCS5/22B-116) and were verified by the Executive Director in accordance with the Election Policy. The following candidates were declared as qualified for the trustee election:

- **MUNICIPAL MEMBER TRUSTEE (1 SEAT)**
  - Philip J. Suess, Mayor, City of Wheaton. *[Incumbent]*
- **BENEFICIARY MEMBER TRUSTEE (1 SEAT)**
  - Daniel Hopkins, Collinsville, Retired *[Incumbent]*
  - Matthew E. Williams, Rockford, Retired
- **ACTIVE MEMBER TRUSTEE (2 SEATS)**
  - Lee Catavu, Sergeant, Aurora Police Department *[Incumbent]*
  - Scott Ligon, Lieutenant, Springfield Police Department

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.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### C. CERTIFY THE ELECTION OF BOARD OF TRUSTEES

#### 1. UNCONTESTED TRUSTEE SEATS:

Section 22B-116(d)(2) provides that “[i]f only one candidate for each position is properly nominated in petitions received, that candidate shall be deemed the winner and no election under this Section shall be required.”

The aforementioned nomination process qualified the minimum number of candidates for the Municipal member trustee seat and the Active member trustee seat listed below:

##### **MUNICIPAL MEMBER TRUSTEE (1 SEAT)**

- Philip J. Suess, Mayor, City of Wheaton. *[Incumbent]*

##### **ACTIVE MEMBER TRUSTEE (2 SEATS)**

- Lee Catavu, Sergeant, Aurora Police Department *[Incumbent]*
- Scott Ligon, Lieutenant, Springfield Police Department

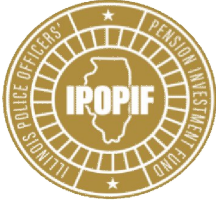
#### 2. CONTESTED TRUSTEE SEAT

One seat received multiple qualified candidates and an election for this seat was conducted in accordance with the Pension Code and Election Policy.

##### **BENEFICIARY MEMBER TRUSTEE (1 SEAT)**

- Daniel Hopkins, Collinsville, Retired *[Incumbent]*
- Matthew E. Williams, Rockford, Retired

Election ballots were mailed to 14,396 beneficiary members of the Article 3 police pension funds on August 17, 2026. The election date was September 11, 2026. A total of 3,456 ballots were returned for tabulation, which represented a 24.01% return rate.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

The election results were that 3,422 valid ballots were counted, with 13 ballots being unexercised, and 21 deemed invalid. The election internal controls used by the election vendor were audited by Ryan, Hodgins & Associates, CPAs, and no issues were discovered.

The results of the 2026 Beneficiary Trustee election are:

| BENEFICIARY TRUSTEE | VOTES | PERCENTAGE |
|---------------------|-------|------------|
| DANIEL HOPKINS      | 2,164 | 63.2%      |
| MATTHEW WILLIAMS    | 1,258 | 36.8%      |

After the election results were posted, the Election Policy provided for a period where the election results could be challenged. No challenges to the election process were received by the deadline of September 17, 2026.

The Board of Trustees has the authority to declare the election of candidates completed and to certify the election of these trustees.

### **D. SEATING OF THE TRUSTEES**

The results of the trustee election will be entered into the minutes at the December 11, 2026, meeting.

The seating of the trustees for terms of office effective January 1, 2027, will occur at this meeting, as well.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: MUNICIPAL TRUSTEE SEAT VACANCY  
DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Approve the procedure to fill the Municipal Trustee seat vacancy, in accordance with the Pension Code and Election Policy.

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#### **A. INTRODUCTION:**

Municipal Trustee Debra Nawrocki is an elected member of the Board of Trustees with a term of office which began on January 1, 2025, and continues through December 31, 2028.

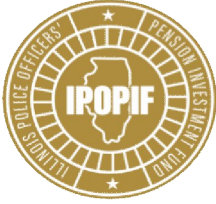
Trustee Nawrocki submitted a letter of resignation of the Municipal trustee seat to be effective as of December 31, 2026.

The remaining term of office (January 2027 through December 2028) may be filled through an appointment by the Board of Trustees as prescribed in Section 22B-116(h) of the Pension Code:

#### **B. DISCUSSION:**

In accordance with the Pension Code, the Board of Trustees shall determine the procedure for filling the vacancy either through appointment, special election, or regular election.

The Trustee Election Policy was revised in March 2026 to include the procedures to fill the unexpired term of office for an elected seat, “[f]or a vacancy of an elected Trustee occurring with an unexpired term, the vacancy shall be filled by appointment by the Board of Trustees,



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Upon approval of the Board of Trustees, the following procedures will be followed to fill the unexpired term of office for the Municipal trustee seat:

1. **October 16, 2026.** The Board of Trustees approves the intention of completing the term of office in the Municipal trustee seat through the appointment process.
2. **October 19, 2026.** The vacancy and the procedure to fill the vacancy shall be announced via posting on the IPOPIF website, announced in the IPOPIF newsletter, and via notice to the Authorized Agents of the Article 3 police pension funds.
3. **November 18, 2026.** Candidates for the unexpired term of office shall submit a desire to serve nomination in writing to the Executive Director within 30 days of the vacancy announcement, using a form provided by IPOPIF.
4. **November 20, 2026.** The Executive Director shall determine the eligibility of the candidates in accordance with Section 22B of the Pension Code.
5. **December 11, 2026.** The recommendation of candidate(s) to be appointed to the unexpired term of office shall be agendaized for a regular meeting of the Board of Trustees.

The list of eligible candidates and qualifications compiled by the Executive Director shall be submitted to all members of the Board of Trustees at least one week prior to the Board of Trustees meeting date.

The candidate(s) to be appointed to the unexpired term of office shall be determined by the trustees from the same trustee membership group using the list of eligible candidates compiled by the Executive Director.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

6. **January 22, 2027.** The appointment of the candidate to fill the unexpired term of office shall be agendized for a regular meeting of the Board of Trustees.

The Board of Trustees shall approve the candidate to fill the unexpired term of office by a majority vote of all Board of Trustees using the recommended list of candidate(s) determined by the trustees from the same trustee membership group.

### **C. CONCLUSION:**

The trustee appointed to fill the unexpired term of office of an elected trustee shall serve until a successor is elected.

Special elections to fill the remainder of an unexpired term vacated by an elected trustee shall be held concurrently with and in the same manner as the next regular election for an elected trustee position. It is anticipated that the election for this seat would occur during the regular election cycle for this seat, which is scheduled for 2028, for the term of office beginning in January 2029..

The appointed trustee shall be eligible to participate in the election for the seat in the regular election cycle.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
AMY ZICK, CONTROLLER

RE: GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN  
FINANCIAL REPORTING

DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2025.

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The Fund submitted the Annual Comprehensive Financial Report (ACFR) from the Fiscal Year 2025 to the Governmental Finance Officers' Association (GFOA) for their review and based upon this review, the GFOA has awarded the Fund with the **Certificate of Achievement for Excellence in Financial Reporting**. The Fund has received this award for three consecutive fiscal years.

As noted in the attached documents, the awarding of this certificate recognizes the success of the Fund in achieving the goals of transparency and full disclosures in financial reporting.

“The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.”

This award is the result of the hard work and dedication of our finance team and staff which was led by Controller Amy Zick and the assistance and support by the Sikich team conducting our fiscal year audit.

In receiving this award, Controller Zick noted that “I would also like to acknowledge that every staff member of the IPOP contributes to the ACFR, and it is a Team effort. I am fortunate to be able to take the lead on the project.”

Attachments



Government Finance Officers Association

# **Certificate of Achievement for Excellence in Financial Reporting**

Presented to

**Illinois Police Officers' Pension Investment Fund**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

**June 30, 2025**

*and issued to the public 189 days after the fiscal year end*

A handwritten signature in dark ink, reading 'Christopher P. Morill', is positioned above the title of the Executive Director/CEO.

Executive Director/CEO



Government Finance Officers Association

## NEWS RELEASE

FOR IMMEDIATE RELEASE

For more information contact:

Monica McNaughton

Assistant Director, Financial Transparency

**Phone:** 312-977-9700

**Email:** [mmcnaughton@gfoa.org](mailto:mmcnaughton@gfoa.org)

### Illinois Police Officers' Pension Investment Fund Receives Certificate of Achievement for Excellence in Financial Reporting

(Chicago, Illinois, 10/2/2026)

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 28,000 members and the communities they serve.

GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting to Illinois Police Officers' Pension Investment Fund for its annual comprehensive financial report for the fiscal year ended June 30, 2025. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

#### Chicago Office

Government Finance Officers Association  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210

#### Washington, DC Office

Federal Liaison Center  
660 North Capitol Street, NW, Suite 410  
Washington, DC 20001





## **Illinois Police Officers' Pension Investment Fund**

### **Board of Trustees Meeting Minutes**

**Tuesday, September 15, 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
- Jeff Pruyn, Illinois Municipal League Trustee

**Attendees:**

**IPOPIF Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Greg Turk, Deputy Chief Investment Officer
- Barb Meyer, Investment Officer (Zoom)
- Steve Yoon, Investment Officer
- Ed Bush, Investment Officer
- Amy Zick, Controller
- 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, Dobrovolsky & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs, Burns, Orlove & Hernandez, LLP
- Scott Crawford, Albourn
- Tim McEnery, Cerity Partners, LLC
- Samantha Grant, Cerity Partners, LLC
- Scott Whalen, Cerity Partners
- Krista Kerr, 1 Seed Capital
- Kristin Kostrzewa, 1 Seed Capital
- Larissa Herczeg, 1 Seed Capital
- Dylan Shindler, 1 Seed Capital
- Devin Sullivan, TA Realty
- Jim Raisides, TA Realty
- Nhat Nguyen, TA Realty
- Anthony Frammartino, Townsend Group

- Jake Heacox, Townsend Group
- James Bannon, Townsend Group
- Megan Holford, Lauterbach & Amen
- Kim Shepherd, Shepherd Communication
- 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. Seven Trustees were present in the meeting room, and two (2) Trustees were absent. 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
- Daniel Hopkins
- Debra Nawrocki
- Jeff Pruyn
- Philip Suess

##### Absent:

- Mark Poulos
- Michael Inman

All individuals present are reflected in the list of attendees.

## 2. Remote Meeting Participation

A motion was made by Trustee Hopkins and seconded by Trustee Pruyn to allow Trustee Poulos to participate in the September 15, 2026, meeting of the Board of Trustees by audio, video, or internet conferencing, due to employment purposes.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Suess, Hopkins, Nawrocki, and Pruyn

Nayes- None

Absent- Trustees Poulos and Inman

Trustee Poulos entered the Board of Trustees meeting at 9:03 A.M.

## 3. Executive Director – Interviews and Selection: Discussion and Potential Action:

Executive Director White, General Legal Counsel Reimer, and Megan Holford, HR Consultant, discussed the search and recruitment process for the Executive Director position which has proceeded to the interviews of two finalists with the Board of Trustees.

Executive Director White discussed the process to be followed for the candidate interviews which include the ability for the Board of Trustees to select a candidate at this meeting.

Executive Director White, General Legal Counsel Reimer, and Megan Holford, HR Consultant, answered all questions.

The Board of Trustees adjourned into Closed/Executive Session at 9:08 AM and returned to open session at 11:10 AM.

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

A motion was made by Trustee Hopkins and seconded by Trustee Suess to enter into closed session at 9:08 A.M. in accordance with 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of the Executive Director, citing The People of Illinois Vs Board of Education of District 170 of Lee and Ogle Counties, 40 Ill App 3d 819 (2<sup>nd</sup> Dist. 1976) , the Public Access Counselor Opinion (PAC) is Opinion No 22-010, July 12, 2022.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Inman

The Board came out of closed session at 11:10 A.M. and took a brief recess.

3. Executive Director – Interviews and Selection: Discussion and Potential Action (cont.)

A motion was made by Trustee Pruyn and seconded by Trustee Catavu to return to general/open session.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Inman

At 11:23 A.M., the Board of Trustees reconvened open general session.

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

General Legal Counsel Reimer stated that the Board of Trustees met in closed session in accordance with 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of the Executive Director. The Board of Trustees interviewed two candidates and followed with a discussion of these candidates for the position of Executive Director. No action was taken in closed session.

3. Executive Director – Interviews and Selection: Discussion and Potential Action (cont.):

A motion was made by Trustee Catavu and seconded by Trustee Poulos to select Candidate B as the finalist for the Executive Director position.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Hopkins

Nayes- Trustees Nawrocki, Suess, and Pruyn

Absent- Trustee Inman

A motion was made by Trustee Poulos and seconded by Trustee Catavu to direct General Legal Counsel Reimer, Chairperson Swanlund, Vice Chairperson Catavu, and Executive Director White as representatives of the Board of Trustees to enter into contract negotiations with Candidate B and bring back an agreement for the Board to review at its October meeting.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Hopkins

Nayes- Trustees Nawrocki, Suess, and Pruyn

Absent- Trustee Inman

6. Board of Trustees Meeting Minutes- July 31, 2026: Discussion and Potential Action:

Executive Director White presented the Board of Trustees Meeting minutes from July 31, 2026, to the Board of Trustees for their approval.

A motion was made by Trustee Catavu and seconded by Trustee Hopkins to approve the Board of Trustees Meeting Minutes from July 31, 2026, as presented.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Inman

7, 8, and 9. Approve Financial Statement – June 2026, July 2026, and August 2026: Discussion and Potential Action:

Executive Director White and Controller Amy Zick presented the June 2026, July 2026, and August 2026 financial statements to the Board of Trustees for their approval.

Executive Director White and Controller Zick answered all questions.

A motion was made by Trustee Pruyn and seconded by Trustee Catavu to approve the June 2026, July 2026, and August 2026 financial statements, as presented.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Inman

10. and 11. Accept Warrants #2027-02A and #2027-02B: Discussion and Potential Action:

Executive Director White and Controller Amy Zick presented Warrants #2027-02A and #2027-02B to the Board of Trustees for their acceptance.

Executive Director White and Controller Zick answered all questions.

A motion was made by Trustee Pruyn and seconded by Trustee Catavu to accept Warrants #2027-2A and #2027-02B, as presented.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Inman

4. Executive Director Report: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on Administration and Operations. He highlighted key areas including monthly fund reports that are posted to the IPOPIF website, as well as Actuarial Valuation reports, and the FY 2026 Annual Comprehensive Financial Report that is underway. He covered the Beneficiary Trustee Election status to date and the upcoming open enrollment for employees for medical/dental/vision coverage.

Executive Director White will be presenting at a few upcoming stakeholder conferences in October and November.

The next Board of Trustees and Committee Meetings are scheduled for October 16, 2026.

Executive Director White answered all questions.

## **Lunch Break**

A motion was made by Trustee Catavu and seconded by Trustee Pruyn to recess for lunch at 11:50 A.M.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Suess, Hopkins, Nawrocki, and Pruyn

Nayes- None

Absent- Trustees Inman and Poulos

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

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Inman

The Board of Trustees returned to public session at 12:30 P.M.

## **Investments**

### 12. Real Estate Investment- Interviews of Firms: Discussion and Potential Action:

Deputy CIO (DCIO) Turk, CIO Custer, and Sean Crawford, Albourne, briefed the Board of Trustees on three (3) firms that were selected as finalists for Real Estate Investments. Each firm has been invited to present to the Board of Trustees and answer questions. The three firms are TA Realty, Townsend Group, and 1Seed Capital.

At 12:40 P.M., Devin Sullivan, Jim Raisides, and Nhat Nguyen from TA Realty presented to the Board of Trustees and answered questions.

At 1:30 P.M., Larissa Herczeg, and Krista Kerr from 1Seed Capital presented to the Board of Trustees and answered questions.

At 1:32 P.M., Trustee Poulos left the meeting.

At 2:10 P.M., Anthony Frammartino, Jake Heacox, and James Bannon from Townsend Group presented to the Board of Trustees and answered questions.

DCIO Turk, CIO Custer, and Mr. Crawford answered all questions.

The Board of Trustees directed staff to continue with the due diligence for this investment search and return to the Board at a later meeting with additional information.

15. Approve Valuation and Cost Rule Amendment: Discussion and Potential Action:

CIO Custer presented revisions to the Valuation and Cost Rule to the Board of Trustees. These revisions recognize that the transfer of assets has occurred and that there are valuation timing differences between reporting by the Custodian and the General Investment Consultant and establish a requirement for reconciliation.

CIO Custer and Fiduciary Legal Counsel Muzzy answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Hopkins to approve the proposed amendment to the Valuation and Cost Rule.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Suess, Hopkins, Nawrocki, and Pruyn

Nayes- None

Absent- Trustees Inman and Poulos

13. Cerity General Investment Consultant- 2Q2026 Quarterly Report: Discussion and Potential Action:

Scott Whalen, Samantha Grant, and Tim McEnery, Cerity, briefed the Board of Trustees on the investment markets and portfolio performance as of June 30, 2026. Quarterly performance reports from Cerity and Albourne were provided to the Board of Trustees for review and reference.

Mr. Whalen, Ms. Grant, and Mr. McEnery answered all questions.

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

CIO Custer briefed the Board of Trustees on portfolio performance, expenses, asset allocation, funding and rebalancing, cash flow, project activity, and agenda projections.

CIO Custer answered all questions.

**Board of Trustees (cont.)**

5. Report on Agreed-Upon Procedures: Discussion and Potential Action:

This item was not addressed.

18. 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 3:39 P.M. No comments were heard, and no discussion was provided.

**Adjournment**

Adjournment:

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

Motion carried by roll call vote:

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

Nayes- None

Absent- None

Meeting adjourned at 3:40 P.M.

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Paul Swanlund, Chairperson, Board of Trustees

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Scott Bowers, Secretary, Board of Trustees

Date Approved by the Board of Trustees:



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOP BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
AMY ZICK, CONTROLLER

RE: MONTHLY FINANCIAL STATEMENTS – BOARD REVIEW

DATE : OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Approve the Monthly financial statements for September 2026.

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### **DISCUSSION:**

The Fund ended the first quarter of fiscal year 2027 with a net position of approximately \$16.4 billion. The Article 3 Funds contributed approximately \$208.2 million of cash to the Fund and withdrew approximately \$209.9 million of cash from the Fund for the three months ended September 30, 2026.

Most of the invoices that pertain to the Fiscal Year 2026 accruals were paid in the first quarter of the fiscal year 2027. The remaining accrued expense liabilities relate to unbilled actuarial reports and unpaid custody invoices.

There are no budget variances in excess or in deficit to the budget to inform the Board of Trustees for the three months ended September 30, 2026.

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 September 30, 2026, and 2025**

|                                           | <u>September 30, 2026</u> | <u>September 30, 2025</u> |
|-------------------------------------------|---------------------------|---------------------------|
| <b>Assets</b>                             |                           |                           |
| <b>Cash</b>                               |                           |                           |
| Lake Forest Bank & Trust                  | \$ 102,543                | \$ 106,180                |
| <b>Total Cash</b>                         | <b>102,543</b>            | <b>106,180</b>            |
| <b>Investments</b>                        |                           |                           |
| Investments                               | 16,403,131,528            | 14,459,105,554            |
| <b>Total Investments</b>                  | <b>16,403,131,528</b>     | <b>14,459,105,554</b>     |
| <b>Total Assets</b>                       | <b>16,403,234,071</b>     | <b>14,459,211,734</b>     |
| <b>Deferred Outflows of Resources</b>     |                           |                           |
| Deferred outflows related to IMRF Pension | 503,293                   | 725,658                   |
| <b>Liabilities</b>                        |                           |                           |
| <b>Accrued Expenses</b>                   |                           |                           |
| Payroll & Related                         | 258,814                   | 246,039                   |
| Professional                              | 353,785                   | 62,346                    |
| Administrative                            | 6,300                     | 5,413                     |
| <b>Total Accrued Expenses</b>             | <b>618,899</b>            | <b>313,798</b>            |
| <b>Other Liabilities</b>                  |                           |                           |
| Net IMRF Pension Liability                | 328,377                   | 446,303                   |
| <b>Total Other Liabilities</b>            | <b>328,377</b>            | <b>446,303</b>            |
| <b>Total Liabilities</b>                  | <b>947,276</b>            | <b>760,101</b>            |
| <b>Deferred Inflows of Resources</b>      |                           |                           |
| Deferred inflows related to IMRF Pension  | 327,226                   | 348,056                   |
| <b>Net Position Restricted</b>            | <b>16,402,462,862</b>     | <b>14,458,829,235</b>     |

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Changes in Fiduciary Net Position**  
**For the Three Months Ended September 30, 2026, and 2025**

|                                                              | <u>September 30, 2026</u> | <u>September 30, 2025</u> |
|--------------------------------------------------------------|---------------------------|---------------------------|
| <b>Additions</b>                                             |                           |                           |
| <b>Proceeds</b>                                              |                           |                           |
| Cash Received from Local Funds                               | 208,230,789               | 209,914,043               |
| Investments Received from Local Funds                        | -                         | 622,812                   |
| <b>Total Proceeds</b>                                        | <u>208,230,789</u>        | <u>210,536,855</u>        |
| <b>Investment Income (Loss)</b>                              |                           |                           |
| Lake Forest Bank & Trust                                     | 1,982                     | 95                        |
| Interest                                                     | 23,115,583                | 18,094,843                |
| Net appreciation (depreciation) in fair value of investments | (69,067,190)              | 672,300,570               |
| <b>Investment Income (Loss)</b>                              | <u>(45,949,625)</u>       | <u>690,395,508</u>        |
| Less: Investment Management Fees Paid from the Fund          | -                         | -                         |
| <b>Investment Income (Loss) net of Management Fees</b>       | <u>(45,949,625)</u>       | <u>690,395,508</u>        |
| <b>Total Additions</b>                                       | <u>162,281,164</u>        | <u>900,932,363</u>        |
| <b>Deductions</b>                                            |                           |                           |
| <b>Administrative Expenses</b>                               |                           |                           |
| Board of Trustees & Meetings                                 | (15,796)                  | (9,657)                   |
| Administrative Operations                                    | (473,982)                 | (456,850)                 |
| Investment Operations                                        | (406,146)                 | (361,871)                 |
| <b>Total Administrative Expenses</b>                         | <u>(895,924)</u>          | <u>(828,378)</u>          |
| <b>Participating Fund Withdrawals</b>                        | <u>(209,911,965)</u>      | <u>(184,567,479)</u>      |
| <b>Total Deductions</b>                                      | <u>(210,807,889)</u>      | <u>(185,395,857)</u>      |
| <b>Net Increase (Decrease)</b>                               | <u>(48,526,725)</u>       | <u>715,536,506</u>        |
| <b>Net Position Restricted</b>                               |                           |                           |
| <b>Beginning of the Year</b>                                 | 16,450,989,587            | 13,743,292,729            |
| <b>End of the Period</b>                                     | <u>16,402,462,862</u>     | <u>14,458,829,235</u>     |

## Illinois Police Officers' Pension Investment Fund

### Additions Report for the Three Months Ended September 30, 2026

|                                                  | <b><u>Received<br/>this Month</u></b> | <b><u>Budgeted<br/>this Month</u></b> | <b><u>Received this<br/>Fiscal Year</u></b> | <b><u>Budgeted this<br/>Fiscal Year</u></b> |
|--------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Additions</b>                                 |                                       |                                       |                                             |                                             |
| <u>Consolidated Funds</u>                        |                                       |                                       |                                             |                                             |
| Cash Received from Local Funds                   | 104,887,960                           | -                                     | 208,230,789                                 | -                                           |
|                                                  | <u><b>104,887,960</b></u>             | <u>-</u>                              | <u><b>208,230,789</b></u>                   | <u>-</u>                                    |
| <u>Investment Income (Loss)</u>                  |                                       |                                       |                                             |                                             |
| Interest & Dividends                             | 8,034,552                             | -                                     | 23,117,565                                  | -                                           |
| Net appreciation (depreciation)                  | (251,164,460)                         | -                                     | (69,067,190)                                | -                                           |
| Investment Management Fees Paid<br>from the Fund | -                                     | -                                     | -                                           | -                                           |
|                                                  | <u><b>(243,129,908)</b></u>           | <u>-</u>                              | <u><b>(45,949,625)</b></u>                  | <u>-</u>                                    |
| <b>Total Additions</b>                           | <b>(138,241,948)</b>                  |                                       | <b>162,281,164</b>                          |                                             |

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the Three Months Ended September 30, 2026

|                                                | <u>Expended<br/>this Month</u> | <u>Budgeted<br/>this Month</u> | <u>Expended this<br/>Fiscal Year</u> | <u>Budgeted this<br/>Fiscal Year</u> |
|------------------------------------------------|--------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Expenditures</b>                            |                                |                                |                                      |                                      |
| <b>Board of Trustees and Meetings</b>          |                                |                                |                                      |                                      |
| <u>Board of Trustees and Meetings Expenses</u> |                                |                                |                                      |                                      |
| Professional Services                          |                                |                                |                                      |                                      |
| <i>Election Services</i>                       | -                              | -                              | -                                    | 8,479                                |
| Education and Training                         | 2,793                          | 4,000                          | 9,670                                | 20,000                               |
| Meeting Expenses                               | 681                            | 2,882                          | 3,225                                | 28,820                               |
| Board Member Reimbursements                    | 1,444                          | 1,596                          | 2,901                                | 17,250                               |
| Municipal Reimbursements                       | -                              | -                              | -                                    | 8,675                                |
|                                                | <u>4,918</u>                   | <u>8,478</u>                   | <u>15,796</u>                        | <u>83,224</u>                        |
| <b>Administrative Operations</b>               |                                |                                |                                      |                                      |
| <u>Personnel</u>                               |                                |                                |                                      |                                      |
| Administrative Personnel                       | 72,314                         | 79,767                         | 180,203                              | 1,074,511                            |
| Employment Expenses                            |                                |                                |                                      |                                      |
| <i>FICA/Medicare</i>                           | 5,208                          | 4,810                          | 13,299                               | 70,752                               |
| <i>Medical/Dental Benefits</i>                 | 21,012                         | 20,865                         | 55,037                               | 250,377                              |
| <i>Unemployment</i>                            | -                              | 78                             | -                                    | 940                                  |
| <i>Retirement Benefits</i>                     | 4,502                          | 5,003                          | 6,671                                | 83,105                               |
| <i>IMRF Pension Expense</i>                    | -                              | -                              | -                                    | 100,000                              |
|                                                | <u>103,036</u>                 | <u>110,523</u>                 | <u>255,210</u>                       | <u>1,579,685</u>                     |
| <u>Professional Services</u>                   |                                |                                |                                      |                                      |
| Finance                                        |                                |                                |                                      |                                      |
| <i>Audit - Financial</i>                       | -                              | -                              | -                                    | 64,700                               |
| <i>Agreed Upon Procedures - Article 3</i>      | -                              | -                              | -                                    | 355,800                              |
| Government Liaison                             | 6,250                          | 6,250                          | 25,000                               | 76,320                               |
| Actuarial Services                             | -                              | -                              | 1,230                                | 209,920                              |
| Outsourced Human Resources                     | -                              | 625                            | -                                    | 7,500                                |
| Legal Services - General                       | 6,355                          | 2,917                          | 6,355                                | 35,000                               |
| Technology Services                            | -                              | 375                            | -                                    | 4,500                                |
| Other Consulting Services                      | -                              | -                              | -                                    | 15,000                               |
| Communication Services                         | 1,500                          | 1,500                          | 6,000                                | 18,000                               |
|                                                | <u>14,105</u>                  | <u>11,667</u>                  | <u>38,585</u>                        | <u>786,740</u>                       |

## Illinois Police Officers' Pension Investment Fund

### Deductions Report for the Three Months Ended September 30, 2026

|                                       | <u>Expended<br/>this Month</u> | <u>Budgeted<br/>this Month</u> | <u>Expended this<br/>Fiscal Year</u> | <u>Budgeted this<br/>Fiscal Year</u> |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Expenditures</b>                   |                                |                                |                                      |                                      |
| <u>Bank Services and Fees</u>         |                                |                                |                                      |                                      |
| Local Bank Fees                       | 155                            | 133                            | 365                                  | 1,600                                |
| Interest Expense                      | 7,341                          | -                              | 7,341                                | 27,434                               |
|                                       | <u>7,496</u>                   | <u>133</u>                     | <u>7,706</u>                         | <u>29,034</u>                        |
| <u>Services &amp; Supplies</u>        |                                |                                |                                      |                                      |
| Assets under \$10,000                 | -                              | 2,500                          | -                                    | 10,000                               |
| Insurance                             | -                              | -                              | 119,142                              | 119,143                              |
| Office Lease/Rent                     | 5,375                          | 5,375                          | 21,500                               | 64,500                               |
| Printing & Postage                    | -                              | -                              | 12,062                               | 14,500                               |
| Supplies & Maintenance                | 580                            | 556                            | 1,656                                | 10,000                               |
| Telecommunication                     | 1,719                          | 1,833                          | 5,156                                | 22,000                               |
| Contingency                           | -                              | -                              | (3)                                  | 12,000                               |
| Dues / Licenses                       | 6,654                          | 2,778                          | 9,745                                | 135,000                              |
| Training & Education                  | 425                            | 2,000                          | 2,117                                | 9,500                                |
| Travel & Transportation               | 329                            | 2,747                          | 491                                  | 12,500                               |
| Utilities                             | -                              | 2,100                          | -                                    | 8,400                                |
| Website                               | 315                            | 2,700                          | 615                                  | 15,000                               |
|                                       | <u>15,397</u>                  | <u>22,589</u>                  | <u>172,481</u>                       | <u>432,543</u>                       |
| <b>Investment Operations</b>          |                                |                                |                                      |                                      |
| <u>Personnel</u>                      |                                |                                |                                      |                                      |
| Investment Operations Personnel       | 82,689                         | 90,445                         | 196,482                              | 1,085,338                            |
| Employment Expenses                   |                                |                                |                                      |                                      |
| <i>FICA/Medicare</i>                  | 4,428                          | 3,240                          | 11,003                               | 58,732                               |
| <i>Medical/Dental Benefits</i>        | 17,678                         | 12,853                         | 38,256                               | 154,231                              |
| <i>Unemployment</i>                   | 47                             | 46                             | 47                                   | 557                                  |
| <i>Retirement Benefits</i>            | 6,314                          | 6,337                          | 9,535                                | 87,259                               |
|                                       | <u>111,156</u>                 | <u>112,921</u>                 | <u>255,323</u>                       | <u>1,386,117</u>                     |
| <u>Investment &amp; Banking</u>       |                                |                                |                                      |                                      |
| General Investment Consultant         | -                              | 113,062                        | -                                    | 452,250                              |
| Private Markets Investment Consultant | -                              | 133,750                        | 133,750                              | 535,000                              |
| Database Subscription                 | -                              | -                              | -                                    | 50,140                               |
| Custodial Services                    | -                              | 52,993                         | -                                    | 635,910                              |
| Legal - Fiduciary                     | 14,803                         | 10,000                         | 14,803                               | 120,000                              |
| Travel & Transportation               | 966                            | 5,000                          | 1,771                                | 15,000                               |
| Dues and Licenses                     | 100                            | -                              | 499                                  | 1,647                                |
|                                       | <u>15,869</u>                  | <u>314,805</u>                 | <u>150,823</u>                       | <u>1,809,947</u>                     |
| <b>Total Expenditures</b>             | <b>271,977</b>                 | <b>581,116</b>                 | <b>895,924</b>                       | <b>6,107,290</b>                     |
| <b>Participating Fund Withdrawals</b> | <b>68,610,345</b>              |                                | <b>209,911,965</b>                   |                                      |
| <b>Total Deductions</b>               | <b>68,882,322</b>              |                                | <b>210,807,889</b>                   |                                      |

## Warrant #27-03A Paid 9-8-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS****Professional Services - Finance****Agreed Upon Procedures - Article 3**

|           |                                                                                   |                     |
|-----------|-----------------------------------------------------------------------------------|---------------------|
|           | KEB                                                                               |                     |
| 8/26/2026 | Progress Billing on Tranche 4, Pension Fund Exams, Invoice #78982                 | \$22,325.00         |
|           | RSM                                                                               |                     |
| 7/8/2026  | Final billing for Tranche 3, Article 3 Pension Fund Exams, Invoice #CI-11541071   | \$28,000.00         |
| 7/8/2026  | First progress bill Tranche 4, Article 3 Pension Fund Exams, Invoice #CI-10954610 | \$60,000.00         |
|           | <b>Total Agreed Upon Procedures Article 3 Professional Services Expenses</b>      | <b>\$110,325.00</b> |

**Professional Services - Government Liaison**

|           |                                                                       |                     |
|-----------|-----------------------------------------------------------------------|---------------------|
|           | Vision M.A.I. Consulting                                              |                     |
| 10/1/2026 | Professional services rendered for October 2026, #010                 | \$6,250.00          |
|           | <b>Total Administrative Operations Professional Services Expenses</b> | <b>\$116,575.00</b> |

**Services and Supplies****Supplies & Maintenance**

|           |                                                                                      |                 |
|-----------|--------------------------------------------------------------------------------------|-----------------|
|           | AAA Certified Confidential Security Corp                                             |                 |
| 8/31/2026 | On-site confidential records destruction services for August 2026, Invoice #122901   | \$47.10         |
|           | The Cleaning Source                                                                  |                 |
| 8/14/2026 | Weekly cleaning service, August 2026, Invoice #IP0826                                | \$208.00        |
|           | Primo Brands                                                                         |                 |
| 8/22/2026 | Water cooler rental, 8/5/2026 to 9/1/2026 and water delivery, Invoice #06H8760233052 | \$54.72         |
|           | <b>Total Services and Supplies, Supplies &amp; Maintenance</b>                       | <b>\$309.82</b> |

**Telecommunications**

|           |                                                                                      |                   |
|-----------|--------------------------------------------------------------------------------------|-------------------|
|           | AmeriCALL                                                                            |                   |
| 9/4/2026  | Monthly telephone charges, 9/4/26 - 10/3/26, Invoice #4260739                        | \$318.77          |
|           | AT&T Mobility                                                                        |                   |
| 8/1/2026  | Monthly wireless cell phone service, 8/2/26 - 9/1/26, Invoice #287302376880X08092026 | \$899.33          |
|           | Comcast                                                                              |                   |
| 8/12/2026 | Monthly data, voice secure packaged services, 8/16/26 - 9/15/26                      | \$517.60          |
|           | <b>Total Services and Supplies, Telecommunications</b>                               | <b>\$1,735.70</b> |

## Warrant #27-03A Paid 9-8-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS (continued)****Services and Supplies (continued)****Dues & Licenses**

|           |                                                                                        |                   |
|-----------|----------------------------------------------------------------------------------------|-------------------|
|           | ADP, Inc.                                                                              |                   |
| 7/31/2026 | Processing charges for period ending July 15, 2026, Debit #727654342                   | \$118.88          |
| 8/14/2026 | Processing charges and state fees for period ending July 31, 2026,<br>Debit #728720464 | \$127.83          |
|           | Central Illinois Security                                                              |                   |
| 9/1/2026  | Alarm Monitoring fees, September 2026 to February 2027, Invoice #235523                | \$228.00          |
|           | Levi, Ray & Shoup, Inc.                                                                |                   |
| 8/27/2026 | Fortinet 80F Firewall Renewal 2026 with Remote Management,<br>Invoice #370561          | \$1,518.92        |
|           | <b>Total Services and Supplies, Dues &amp; Licenses</b>                                | <b>\$1,993.63</b> |

**Training & Education**

|           |                                                                                                                  |          |
|-----------|------------------------------------------------------------------------------------------------------------------|----------|
|           | Illinois Government Finance Officers Association (IGFOA)                                                         |          |
| 8/20/2026 | Professional development conference, IGFOA 2026 Annual<br>Conference Registration, September 28-30, 2026, A Zick | \$425.00 |

**Travel & Transportation**

|           |                                                                       |                   |
|-----------|-----------------------------------------------------------------------|-------------------|
|           | Amy Zick                                                              |                   |
| 8/31/2026 | Out of pocket reimbursement for parking pass 20-pack                  | \$85.00           |
|           | <b>Total Administrative Operations Services and Supplies Expenses</b> | <b>\$4,549.15</b> |

**TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$121,124.15**

**INVESTMENT OPERATIONS****Investment & Banking****Investment Management**

|           |                                                                                                    |              |
|-----------|----------------------------------------------------------------------------------------------------|--------------|
|           | Capital Group                                                                                      |              |
| 8/18/2026 | Investment Management Services for the April 1, 2026 to June 30, 2026,<br>Invoice #20260630-2318-A | \$206,141.05 |

**Fiduciary & Litigation**

|           |                                                                                                                                                      |             |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|           | Jacobs Burns Orlove & Hernandez LLP                                                                                                                  |             |
| 8/19/2026 | Legal services rendered in July 2026 regarding General matters,<br>Private Markets Search, Infrastructure and US High Yield Search,<br>Invoice #1513 | \$11,649.93 |

**Dues & Licenses**

|          |                                                                                         |          |
|----------|-----------------------------------------------------------------------------------------|----------|
|          | Barbara Meyer                                                                           |          |
| 9/1/2026 | Out of pocket reimbursement for Women Investment Professionals Annual<br>Dues 2026-2027 | \$100.00 |

Warrant #27-03A Paid 9-8-2026



Expenses for Acceptance - October 16, 2026  
Board Meeting

**INVESTMENT OPERATIONS (continued)**

**Investment & Banking (continued)**

**Travel & Transportation**

|                                                                |                                                                                               |                     |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------|
| Edward Bush                                                    |                                                                                               |                     |
| 8/31/2026                                                      | Out of pocket reimbursement for travel to Peoria for first day orientation on August 31, 2026 | \$234.00            |
| Greg Turk                                                      |                                                                                               |                     |
| 8/31/2026                                                      | Out of pocket reimbursement for parking pass 20-pack                                          | \$85.00             |
| <b>Total Investment Operations Travel &amp; Transportation</b> |                                                                                               | <b>\$319.00</b>     |
| <b>TOTAL INVESTMENT OPERATIONS EXPENSES</b>                    |                                                                                               | <b>\$218,209.98</b> |

|                                        |                     |
|----------------------------------------|---------------------|
| <b>TOTAL EXPENSES FOR RATIFICATION</b> | <b>\$339,334.13</b> |
|----------------------------------------|---------------------|

## Warrant #27-03B Paid 9-21-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**BOARD OF TRUSTEES and MEETINGS****Education and Training**

|           |                                                                                                                              |                   |
|-----------|------------------------------------------------------------------------------------------------------------------------------|-------------------|
|           | Lee Catavu                                                                                                                   |                   |
| 9/11/2026 | Out of pocket reimbursement for lodging and airfare for the IFEBP Conference in New Orleans on October 24-29, 2026           | \$1,992.86        |
|           | Richard White                                                                                                                |                   |
| 9/5/2026  | Out of pocket reimbursement for NCPERS Public Safety Conference Fee for Daniel Hopkins in Nashville, TN, October 25-28, 2026 | \$800.00          |
|           | <b>Total Board of Trustees and Meetings Education and Training Expense</b>                                                   | <b>\$2,792.86</b> |

**Meeting Expenses**

|           |                                                                                         |                 |
|-----------|-----------------------------------------------------------------------------------------|-----------------|
|           | Samantha Lambert                                                                        |                 |
| 9/16/2026 | Out of pocket reimbursement for coffee and donuts for September 15, 2026, Board Meeting | \$46.60         |
|           | Richard White                                                                           |                 |
| 9/10/2026 | Out of pocket reimbursement for catering for the Board Meeting, September 15, 2026      | \$634.69        |
|           | <b>Total Board of Trustees and Meetings Meeting Expense</b>                             | <b>\$681.29</b> |

**Board Member Reimbursements**

|           |                                                                                                |                   |
|-----------|------------------------------------------------------------------------------------------------|-------------------|
|           | Lee Catavu                                                                                     |                   |
| 9/11/2026 | Out of pocket reimbursement for travel for September 15, 2026, Board Meeting                   | \$179.36          |
|           | Daniel Hopkins                                                                                 |                   |
| 9/15/2026 | Out of pocket reimbursement for hotel, meals and mileage for September 15, 2026, Board Meeting | \$393.32          |
|           | Debra Nawrocki                                                                                 |                   |
| 9/17/2026 | Out of pocket reimbursement for hotel and travel for September 15, 2026, Board Meeting         | \$458.40          |
|           | Philip Suess                                                                                   |                   |
| 9/21/2026 | Out of pocket reimbursement for hotel, meals and mileage for September 15, 2026, Board Meeting | \$413.24          |
|           | <b>Total Board of Trustees and Meetings Board Member Reimbursements</b>                        | <b>\$1,444.32</b> |
|           | <b>TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES</b>                                           | <b>\$4,918.47</b> |

## Warrant #27-03B Paid 9-21-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS****Professional Services - Legal**

|           |                                                                                                   |            |
|-----------|---------------------------------------------------------------------------------------------------|------------|
|           | Reimer Dobrovolny & Labardi PC                                                                    |            |
| 9/10/2026 | Legal services rendered and disbursements for the period of July and August, 2026, Invoice #33531 | \$6,355.20 |

**Professional Services - Communication**

|           |                                           |            |
|-----------|-------------------------------------------|------------|
|           | Shepherd Communications                   |            |
| 9/18/2026 | Professional Service Fee for October 2026 | \$1,500.00 |

**Total Administrative Operations Professional Services Expenses                      \$7,855.20**

**Services and Supplies****Office Lease**

|           |                       |            |
|-----------|-----------------------|------------|
|           | City of Peoria        |            |
| 10/1/2026 | Rent for October 2026 | \$5,375.00 |

**Supplies & Maintenance**

|           |                                                                                                              |          |
|-----------|--------------------------------------------------------------------------------------------------------------|----------|
|           | ODP Business Solutions, LLC                                                                                  |          |
| 9/2/2026  | Office supplies, Engraved Sign Metal Base, qty 2; Invoice 480656895001                                       | \$41.98  |
| 9/7/2026  | Office supplies, Business Cards, 100 Count, qty 2; Invoice 480656895002                                      | \$141.76 |
| 9/14/2026 | Office supplies, Round Key Tag, 50pk; Crown Certificates, 25pk, qty 3; Binders, qty 10; Invoice 482672581001 | \$86.49  |

**Total Services and Supplies, Supplies & Maintenance                      \$270.23**

**Telecommunications**

|          |                                                                                       |            |
|----------|---------------------------------------------------------------------------------------|------------|
|          | AT&T Mobility                                                                         |            |
| 9/1/2026 | Monthly wireless cell phone service, 9/2/26 - 10/1/26, Invoice #287302376880X09092026 | \$1,075.40 |

**Dues & Licenses**

|           |                                                                                          |            |
|-----------|------------------------------------------------------------------------------------------|------------|
|           | ADP, Inc.                                                                                |            |
| 8/28/2026 | Processing charges for period ending August 15, 2026, Debit #729748938                   | \$118.88   |
| 9/11/2026 | Processing charges and state fees for period ending August 31, 2026, Debit #731046234    | \$122.15   |
|           | Levi, Ray & Shoup, Inc.                                                                  |            |
| 9/8/2026  | LRS Axcient CloudFinder for Office 365 backup, 25 licenses, August 2026, Invoice #371607 | \$125.00   |
|           | NCPERS                                                                                   |            |
| 9/15/2026 | Membership renewal for the period January 1, 2027 to December 31, 2027                   | \$3,795.00 |
|           | Thomson Reuters                                                                          |            |
| 9/12/2026 | NetStaff CS Web Services fees, August 2026, Invoice #12257842                            | \$525.00   |

## Warrant #27-03B Paid 9-21-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS (continued)****Services and Supplies (continued)****Dues & Licenses (continued)**

|           |                                                                                                                                 |                   |
|-----------|---------------------------------------------------------------------------------------------------------------------------------|-------------------|
|           | Richard White                                                                                                                   |                   |
| 9/10/2026 | Out of pocket expense reimbursement for Adobe license annual for new employee for the period of August 23, 2026 to May 18, 2027 | \$212.16          |
|           | <b>Total Services and Supplies, Dues &amp; Licenses</b>                                                                         | <b>\$4,898.19</b> |

**Travel & Transportation**

|           |                                                                 |                 |
|-----------|-----------------------------------------------------------------|-----------------|
|           | Katherine Cobb                                                  |                 |
| 9/10/2026 | Out of pocket reimbursement for parking fees, August 2026       | \$81.20         |
| 9/10/2026 | Out of pocket reimbursement for parking fees, September 2026    | \$81.20         |
|           | Samantha Lambert                                                |                 |
| 9/11/2026 | Out of pocket reimbursement for parking fees, August 2026       | \$81.20         |
|           | <b>Total Services and Supplies, Travel &amp; Transportation</b> | <b>\$243.60</b> |

**Website**

|          |                                                                       |                    |
|----------|-----------------------------------------------------------------------|--------------------|
|          | Levi, Ray & Shoup, Inc.                                               |                    |
| 9/8/2026 | Website hosting and related support, August 2026, Invoice #371606     | \$200.00           |
| 9/8/2026 | Website maintenance, August 2026, Invoice #371605                     | \$115.00           |
|          | <b>Total Services and Supplies, Website</b>                           | <b>\$315.00</b>    |
|          | <b>Total Administrative Operations Services and Supplies Expenses</b> | <b>\$12,177.42</b> |

|                                                 |                    |
|-------------------------------------------------|--------------------|
| <b>TOTAL ADMINISTRATIVE OPERATIONS EXPENSES</b> | <b>\$20,032.62</b> |
|-------------------------------------------------|--------------------|

**INVESTMENT OPERATIONS****Investment & Banking****Fiduciary & Litigation**

|           |                                                                                                             |            |
|-----------|-------------------------------------------------------------------------------------------------------------|------------|
|           | Jacobs Burns Orlove & Hernandez LLP                                                                         |            |
| 9/14/2026 | Legal services rendered in August 2026 regarding General matters, and Private Markets Search, Invoice #1601 | \$3,153.00 |

**Travel & Transportation**

|           |                                                                                         |                 |
|-----------|-----------------------------------------------------------------------------------------|-----------------|
|           | Edward Bush                                                                             |                 |
| 9/16/2026 | Out of pocket reimbursement for travel for September 15, 2026, Board Meeting            | \$234.00        |
|           | Steve Yoon                                                                              |                 |
| 9/16/2026 | Out of pocket reimbursement for hotel and mileage for September 15, 2026, Board Meeting | \$412.96        |
|           | <b>Total Investment Operations Travel &amp; Transportation</b>                          | <b>\$646.96</b> |

|                                             |                   |
|---------------------------------------------|-------------------|
| <b>TOTAL INVESTMENT OPERATIONS EXPENSES</b> | <b>\$3,799.96</b> |
|---------------------------------------------|-------------------|

|                                        |                    |
|----------------------------------------|--------------------|
| <b>TOTAL EXPENSES FOR RATIFICATION</b> | <b>\$28,751.05</b> |
|----------------------------------------|--------------------|

## Warrant #27-04A Paid 10-5-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**BOARD OF TRUSTEES and MEETINGS****Meeting Expenses**

|                                                      |                                                                                                                                                                   |                   |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
|                                                      | Peoria Expo                                                                                                                                                       |                   |
| 9/29/2026                                            | Table Rental for 18 rectangular tables and 3 round tables with linens including Delivery, Set Up, and Pick Up for September 15, 2026, Board Meeting, Invoice 9127 | \$365.00          |
|                                                      | Sound & Light Creations by Scott Fort                                                                                                                             |                   |
| 9/24/2026                                            | Sound system with table top microphones and monitors for Board Meeting, September 15, 2026, Invoice #9142601                                                      | \$1,628.00        |
| <b>TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES</b> |                                                                                                                                                                   | <b>\$1,993.00</b> |

**ADMINISTRATIVE OPERATIONS****Professional Services - Finance****Audit - Financial**

|           |                                                                                                                                     |             |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------|-------------|
|           | Sikich LLP                                                                                                                          |             |
| 9/24/2026 | Professional services rendered in connection with year end 2026 audit, progress billing through September 30, 2026, Invoice #219884 | \$10,000.00 |

**Agreed Upon Procedures - Article 3**

|           |                                                                                 |             |
|-----------|---------------------------------------------------------------------------------|-------------|
|           | RSM                                                                             |             |
| 9/29/2026 | Final billing for Tranche 4, Article 3 Pension Fund Exams, Invoice #CI-11622078 | \$45,000.00 |

**Professional Services - Government Liaison**

|                                                                       |                                                        |                    |
|-----------------------------------------------------------------------|--------------------------------------------------------|--------------------|
|                                                                       | Vision M.A.I. Consulting                               |                    |
| 11/1/2026                                                             | Professional services rendered for November 2026, #011 | \$6,250.00         |
| <b>Total Administrative Operations Professional Services Expenses</b> |                                                        | <b>\$61,250.00</b> |

**Services and Supplies****Supplies & Maintenance**

|                                                                |                                                                                       |                 |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------|
|                                                                | CityBlue Technologies, LLC                                                            |                 |
| 9/18/2026                                                      | Epson AM-C4000 Ink-Magenta and Yellow, Invoice #308190                                | \$674.00        |
|                                                                | The Cleaning Source                                                                   |                 |
| 9/30/2026                                                      | Weekly cleaning service, September 2026, Invoice #IP0926                              | \$208.00        |
|                                                                | ODP Business Solutions, LLC                                                           |                 |
| 9/15/2026                                                      | Office supplies, Certificate, 8.5x11, blue; Invoice 482672730001                      | \$15.09         |
|                                                                | Primo Brands                                                                          |                 |
| 9/23/2026                                                      | Water cooler rental, 9/2/2026 to 9/29/2026 and water delivery, Invoice #0618760233052 | \$86.33         |
| <b>Total Services and Supplies, Supplies &amp; Maintenance</b> |                                                                                       | <b>\$983.42</b> |

## Warrant #27-04A Paid 10-5-2026



## Expenses for Acceptance - October 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS (continued)****Services and Supplies (continued)****Telecommunications**

|           |                                                                  |                 |
|-----------|------------------------------------------------------------------|-----------------|
|           | AmeriCALL                                                        |                 |
| 10/4/2026 | Monthly telephone charges, 10/4/26 - 11/3/26, Invoice #4292402   | \$319.26        |
|           | Comcast                                                          |                 |
| 9/12/2026 | Monthly data, voice secure packaged services, 9/16/26 - 10/15/26 | \$517.60        |
|           | <b>Total Services and Supplies, Telecommunications</b>           | <b>\$836.86</b> |

**Dues & Licenses**

|           |                                                                                          |        |
|-----------|------------------------------------------------------------------------------------------|--------|
|           | ADP, Inc.                                                                                |        |
| 9/18/2026 | Processing charges and state fees for period ending August 31, 2026,<br>Debit #731384229 | \$8.95 |

**Travel & Transportation**

|           |                                                                       |                   |
|-----------|-----------------------------------------------------------------------|-------------------|
|           | Katherine Cobb                                                        |                   |
| 10/5/2026 | Out of pocket reimbursement for parking fees, October 2026            | \$81.00           |
|           | Samantha Lambert                                                      |                   |
| 10/5/2026 | Out of pocket reimbursement for parking fees, October 2026            | \$81.20           |
|           | Matthew Roedell                                                       |                   |
| 9/29/2026 | Out of pocket reimbursement for parking pass 20-pack                  | \$85.00           |
|           | <b>Total Services and Supplies, Travel &amp; Transportation</b>       | <b>\$247.20</b>   |
|           | <b>Total Administrative Operations Services and Supplies Expenses</b> | <b>\$2,076.43</b> |

|                                                 |                    |
|-------------------------------------------------|--------------------|
| <b>TOTAL ADMINISTRATIVE OPERATIONS EXPENSES</b> | <b>\$63,326.43</b> |
|-------------------------------------------------|--------------------|

**INVESTMENT OPERATIONS****Investment & Banking****Custodial Services**

|           |                                                                                |                     |
|-----------|--------------------------------------------------------------------------------|---------------------|
|           | State Street Bank & Trust Company                                              |                     |
| 4/30/2026 | Custody Fees, Charges and Expenses for February 2026,<br>Invoice #547303594532 | \$52,652.84         |
| 7/3/2026  | Custody Fees, Charges and Expenses for March 2026,<br>Invoice #547309132678    | \$46,667.38         |
| 8/25/2026 | Custody Fees, Charges and Expenses for April 2026,<br>Invoice #547300964500    | \$48,066.42         |
| 9/7/2026  | Custody Fees, Charges and Expenses for May 2026,<br>Invoice #547300297723      | \$46,499.40         |
|           | <b>Total Investment &amp; Banking Custodial Services</b>                       | <b>\$193,886.04</b> |

## Warrant #27-04A Paid 10-5-2026



### Expenses for Acceptance - October 16, 2026 Board Meeting

#### **INVESTMENT OPERATIONS (continued)**

##### **Investment & Banking (continued)**

##### **Travel & Transportation**

Steve Yoon

|           |                                                                                                    |          |
|-----------|----------------------------------------------------------------------------------------------------|----------|
| 9/30/2026 | Out of pocket reimbursement for on-site travel to TA Realty due diligence<br>September 28-29, 2026 | \$990.50 |
|-----------|----------------------------------------------------------------------------------------------------|----------|

|                                             |                     |
|---------------------------------------------|---------------------|
| <b>TOTAL INVESTMENT OPERATIONS EXPENSES</b> | <b>\$194,876.54</b> |
|---------------------------------------------|---------------------|

|                                        |                     |
|----------------------------------------|---------------------|
| <b>TOTAL EXPENSES FOR RATIFICATION</b> | <b>\$260,195.97</b> |
|----------------------------------------|---------------------|



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: 2027 MEETING CALENDAR  
DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Approve the 2027 Board of Trustees and Committee Meeting Schedule.

---

The Board of Trustees, as required by the Pension Code and Fund By-laws, is required to adopt a meeting schedule for the following year by the 4<sup>th</sup> quarter of the previous year. The Board of Trustees is required to meet “at least quarterly” and may schedule additional meetings, as necessary.

The 2027 meeting schedule for the Board of Trustees provides the following:

- Eight meetings of the Board of Trustees with two meetings per quarter, including the required ‘annual meeting’ in January.
- The committees are scheduled to meet in each quarter, except for the summer, and are scheduled for the same dates as the Board of Trustees meetings. Additionally, committee meetings are scheduled during the year, as necessary, and are also scheduled for the same date as the Board of Trustees meetings.

Meetings are scheduled to be held in Peoria.

Attachment



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## IPOPIF Board of Trustees

### 2027 Meeting Schedule

| Day    | Date         |
|--------|--------------|
| Friday | January 22   |
| Friday | March 5      |
| Friday | April 23     |
| Friday | June 11      |
| Friday | August 20    |
| Friday | September 17 |
| Friday | October 22   |
| Friday | December 10  |

### Committee Meetings

| Day    | Date       | Committees                                                                                                                              |
|--------|------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Friday | January 22 | <ul style="list-style-type: none"> <li>Legislative Committee</li> <li>Audit and Budget Committee</li> <li>Election Committee</li> </ul> |
| Friday | April 23   | <ul style="list-style-type: none"> <li>Legislative Committee</li> <li>Audit and Budget Committee</li> <li>Election Committee</li> </ul> |
| Friday | October 22 | <ul style="list-style-type: none"> <li>Legislative Committee</li> <li>Audit and Budget Committee</li> <li>Election Committee</li> </ul> |

### Meeting Information

All regular Board of Trustees meetings and committee meetings will be held in Peoria, Illinois.

For the latest schedule, meeting locations, times, agendas, and minutes, please review the IPOPIF website.

### Revision History

**Adopted:** October 16, 2026

**Schedule subject to change.**

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



## **Illinois Police Officers' Pension Investment Fund**

### **Private Non-Core Real Estate Investment Manager Selection – TA Realty October 16, 2026**

- Private Non-Core Real Estate finalist interviews were conducted at the September 15, 2026, Board meeting.
- Staff and Albourne have subsequently conducted final due diligence on TA Realty including an on-site visit.
- Staff and Albourne are recommending approval of an IPOPIF commitment to invest \$250 million in TA Realty Value-Add Fund XIV.
- Evaluation of the other finalists continues with recommendations targeted for the December 11, 2026, Board meeting. The TA realty decision is time sensitive due to the final closing date of 12/31/26.



# **Illinois Police Officers' Pension Investment Fund**

## **Strategic Asset Allocation** **October 16, 2026**

- The strategic asset allocation determines the risk-reward profile of the portfolio and is the primary driver of overall portfolio performance and volatility.
- Staff and Cerity will review the asset allocation, specific topics of interest, and proposed revisions.
- The Board is requested to adopt the proposed asset allocation. In accordance the Illinois Pension Code (40 ILCS 5/22B-117), adoption of asset allocation policies requires a vote of at least 6 trustees.



# **Illinois Police Officers' Pension Investment Fund**

## **Strategic Asset Allocation CIO Perspective October 2026**

# Background

- Investment Policy Statement (IPS) and Strategic Asset Allocation (SAA) reviewed annually.
  - Last Board review was February 2026.
  - Staff noted plans for comprehensive asset allocation study and IPS review following completion of the General Consultant search.
- SAA Topics of Interest
  - USA small cap allocation
  - US vs. Non-US equity allocation
  - Consolidation of Risk Mitigation asset classes
  - Funding glidepath for Private Markets
- Manager allocation and structure to be reviewed in future asset class reviews.
- CIO summary follows. Cerity presentation is attached.

# Summary of Recommendations

- Recommend elimination of the 2% allocation to passive US Small Cap (USSC) and reallocate to US Large Cap.
- Recommend moving 1% from Non-US Developed to US Large Cap stocks.
- Recommend eliminating the 3% US Treasury allocation and increasing the Core Bond allocation from 3% to 6%.

# Interim vs. Long-term Allocation

- Long-term asset allocation includes 20% in private markets, which will take several years to fund.
- Interim asset allocation reflects initially higher allocations to private market funding sources.
- Glidepath is the funding framework
  - Generally:
    - Short-term Debt funds Private Equity.
    - Emerging Market Debt (EMD) funds Private Credit.
    - Private Real Estate and Infrastructure initially funded from REITS, then from High Yield and EMD.

# Expected Glidepath

| Allocation                    | 6/30/26       | 4Q26         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         | LT SAA        |
|-------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Growth</b>                 | <b>58.0%</b>  | <b>+1.0%</b> | <b>+1.0%</b> | <b>+1.0%</b> | <b>+1.0%</b> | <b>+1.0%</b> | <b>+1.0%</b> | <b>+1.0%</b> | <b>65.0%</b>  |
| US Large                      | 23.0%         | +3.0%        |              |              |              |              |              |              | 26.0%         |
| US Small                      | 5.0%          | -2.0%        |              |              |              |              |              |              | 3.0%          |
| International Developed       | 19.0%         | -1.0%        |              |              |              |              |              |              | 18.0%         |
| International Developed Small | 5.0%          |              |              |              |              |              |              |              | 5.0%          |
| EME ex China                  | 6.0%          |              |              |              |              |              |              |              | 6.0%          |
| Private Equity                | 0.0%          | +1.0%        | +1.0%        | +1.0%        | +1.0%        | +1.0%        | +1.0%        | +1.0%        | 7.0%          |
| <b>Income</b>                 | <b>16.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>-1.5%</b> | <b>-0.5%</b> | <b>0.0%</b>  | <b>14.0%</b>  |
| High Yield Corp. Credit       | 4.0%          |              |              |              |              | -0.5%        | -0.5%        |              | 3.0%          |
| Emerging Market Debt          | 6.0%          |              | -1.0%        | -1.0%        |              | -1.0%        |              |              | 3.0%          |
| Bank Loans                    | 3.0%          |              |              |              |              |              |              |              | 3.0%          |
| Private Credit                | 3.0%          |              | +1.0%        | +1.0%        |              |              |              |              | 5.0%          |
| <b>Real Return</b>            | <b>6.0%</b>   | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>+1.5%</b> | <b>+0.5%</b> | <b>0.0%</b>  | <b>8.0%</b>   |
| REITs                         | 4.0%          |              | -2.0%        | -1.0%        | -1.0%        |              |              |              | 0.0%          |
| Private Real Estate           | 2.0%          |              | +1.0%        | +0.5%        | +0.5%        | +0.5%        | +0.5%        |              | 5.0%          |
| Private Infrastructure        | 0.0%          |              | +1.0%        | +0.5%        | +0.5%        | +1.0%        |              |              | 3.0%          |
| <b>Risk Mitigation</b>        | <b>20.0%</b>  | <b>-1.0%</b> | <b>-1.0%</b> | <b>-1.0%</b> | <b>-1.0%</b> | <b>-1.0%</b> | <b>-1.0%</b> | <b>-1.0%</b> | <b>13.0%</b>  |
| Cash                          | 1.0%          |              |              |              |              |              |              |              | 1.0%          |
| Short-Term Gov't/Credit       | 10.0%         | -1.0%        | -1.0%        | -1.0%        | -1.0%        | -1.0%        | -1.0%        | -1.0%        | 3.0%          |
| Short-term US TIPS            | 3.0%          |              |              |              |              |              |              |              | 3.0%          |
| US Treasury                   | 3.0%          | -3.0%        |              |              |              |              |              |              | 0.0%          |
| Core Bonds                    | 3.0%          | +3.0%        |              |              |              |              |              |              | 6.0%          |
| <b>Total</b>                  | <b>100.0%</b> | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b>  | <b>100.0%</b> |

Weight moving -> 7.0% 4.0% 3.0% 2.0% 2.5% 1.5% 1.0%

# Small Cap Equity

- Recommend elimination of the 2% allocation to passive US Small Cap (USSC) and reallocate to US Large Cap.
  - Primarily driven by risk perspective.
  - Current 5% allocation to USSC (including active) is 3X overweight relative to Russell 2000/3000. This was a consistent issue identified in General Consultant search.
  - Cerity identifies challenges to theoretical small cap premium and contraction of the small cap universe.
  - However, Cerity capital market assumptions maintain a 1.0% small cap return premium (6.4% vs. 5.4%), albeit with meaningfully higher volatility (21.2% vs. 15.5%).
  - IPOPIF would still maintain a 2X overweight to USSC.

# International Equity

- Recommend moving 1% from Non-US Developed to US Large Cap stocks.
  - Also driven by risk perspective.
  - While US Stocks represent IPOPIFs largest exposure, we are overweight to international stocks relative to the global index. This issue was also identified in the General Consultant search.
  - We would need to move about 7% allocation from non-USA Developed (19% to 12%) to USA (23% to 30%) stocks to achieve alignment with index. (per CIO analysis)
  - 2021 relative valuation thesis failed to materialize as stronger growth supported richer USA stock valuations.
  - However, Cerity forecasts international to outperform USA stocks by 1.4% (6.8% vs. 5.4%).
  - 1% transfer from Non-US developed to US Large cap represents a modest risk control action to maintain exposure to USA growth potential.

# Core Bond Consolidation

- Recommend eliminating the 3% US Treasury allocation and increasing the Core Bond allocation from 3% to 6%.
  - Substantial Overlap in US Treasury Exposure.
  - Modest return enhancement while maintaining risk mitigation profile.
  - Future consideration of active core bond strategies with low tracking error to add incremental return.

# Maintain Private Market Targets

- Capital market assumptions indicate positive risk adjusted return premiums of 2% to 3% for private market exposure vs. traditional public exposure.
- IPOPIF private market targets total 20%:
  - 7% equity, 5% credit, 5% real estate, 3% infrastructure.
- Large public plans target higher private equity allocations of 10%-14% per Cerity.
- Wider range of outcomes (higher risk).
- CIO recommends maintaining targets.
  - High conviction in implementation process, but we need positive results to support higher allocations.

# Other Considerations

- Global Equity (Combined US and Non-US) to be considered as part of Large Cap equity structure review for active alpha potential.
- Hedge funds may also be considered.
  - As an implementation option for public market asset classes.
    - Short positions and leverage can potentially increase risk adjusted returns, but high cost and liquidity constraints warrant caution.
  - As an “Absolute Return” asset class to provide investment returns that are uncorrelated with traditional asset classes.
- No dedicated exposure to securitized credit.
  - Mortgage-backed securities (MBS), Asset-backed securities (ABS), Collateralized Loan Obligations.
  - Highly correlated with other credit exposure.
  - Core Bond mandate includes ~25% MBS.
- Negative view on Commodities and Crypto for IPOPIF.
  - Potential for large positive returns, but historical volatility, forward uncertainty, and wide range of outcomes limit utility.



# Illinois Police Officers' Pension Investment Fund

## Strategic Asset Allocation Deep Dive

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October 2026

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# Executive Summary

## PROPOSED ADJUSTMENTS

### Long-Term Policy

- › Modest reduction in US Small Cap
- › Modest reduction in Int'l Developed
- › Simplification of Risk Mitigation

### Interim Policy

- › Same adjustments as *Long-Term Policy* allocation
- › Private market weights and funding sources will be adjusted periodically over time

|                        | Long-Term Policy |            |        | Interim Policy |            |        |
|------------------------|------------------|------------|--------|----------------|------------|--------|
|                        | Current          | Proposed   | Change | Current        | Proposed   | Change |
| <b>Growth</b>          | <b>65</b>        | <b>65</b>  |        | <b>58</b>      | <b>58</b>  |        |
| US Large               | 23               | 26         | +3     | 23             | 26         | +3     |
| US Small               | 5                | 3          | -2     | 5              | 3          | -2     |
| Int'l Developed        | 19               | 18         | -1     | 19             | 18         | -1     |
| Int'l Developed Small  | 5                | 5          |        | 5              | 5          |        |
| Emerging Markets       | 6                | 6          |        | 6              | 6          |        |
| Private Equity         | 7                | 7          |        | -              | -          |        |
| <b>Income</b>          | <b>14</b>        | <b>14</b>  |        | <b>16</b>      | <b>16</b>  |        |
| High Yield Credit      | 3                | 3          |        | 4              | 4          |        |
| Bank Loans             | 3                | 3          |        | 3              | 3          |        |
| EM Debt                | 3                | 3          |        | 6              | 6          |        |
| Private Credit         | 5                | 5          |        | 3              | 3          |        |
| <b>Real Return</b>     | <b>8</b>         | <b>8</b>   |        | <b>6</b>       | <b>6</b>   |        |
| Real Estate            | 5                | 5          |        | 2              | 2          |        |
| REITs                  | -                | -          |        | 4              | 4          |        |
| Infrastructure         | 3                | 3          |        | -              | -          |        |
| <b>Risk Mitigation</b> | <b>13</b>        | <b>13</b>  |        | <b>20</b>      | <b>20</b>  |        |
| Cash                   | 1                | 1          |        | 1              | 1          |        |
| US TIPS                | 3                | 3          |        | 3              | 3          |        |
| US Treasury            | 3                | -          | -3     | 3              | -          | -3     |
| Core Fixed Income      | 3                | 6          | +3     | 3              | 6          | +3     |
| S-T Gov't/Credit       | 3                | 3          |        | 10             | 10         |        |
| <b>Total</b>           | <b>100</b>       | <b>100</b> |        | <b>100</b>     | <b>100</b> |        |

# Introduction

# Introduction

- › The strategic asset allocation is long-term in nature and is not expected to change dramatically
- › IPOPIF has largely maintained the same long-term strategic asset allocation targets since program inception in 2021

## 2021

| Asset Class            | Long-Term Policy |
|------------------------|------------------|
| <b>Growth</b>          | <b>65%</b>       |
| US Large               | 23%              |
| US Small               | 5%               |
| Int'l Dev              | 18%              |
| Int'l Dev Small        | 5%               |
| EM Equity              | 7%               |
| Private Equity         | 7%               |
| <b>Income</b>          | <b>14%</b>       |
| High Yield             | 3%               |
| EM Debt                | 3%               |
| Bank Loans             | 3%               |
| Private Credit         | 5%               |
| <b>Real Return</b>     | <b>8%</b>        |
| RE/Infra               | 8%               |
| <b>Risk Mitigation</b> | <b>13%</b>       |
| Cash                   | 1%               |
| S-T Gov/Credit         | 3%               |
| US Treasury            | 3%               |
| TIPS                   | 3%               |
| Core Fixed             | 3%               |
| <b>Total</b>           | <b>100%</b>      |

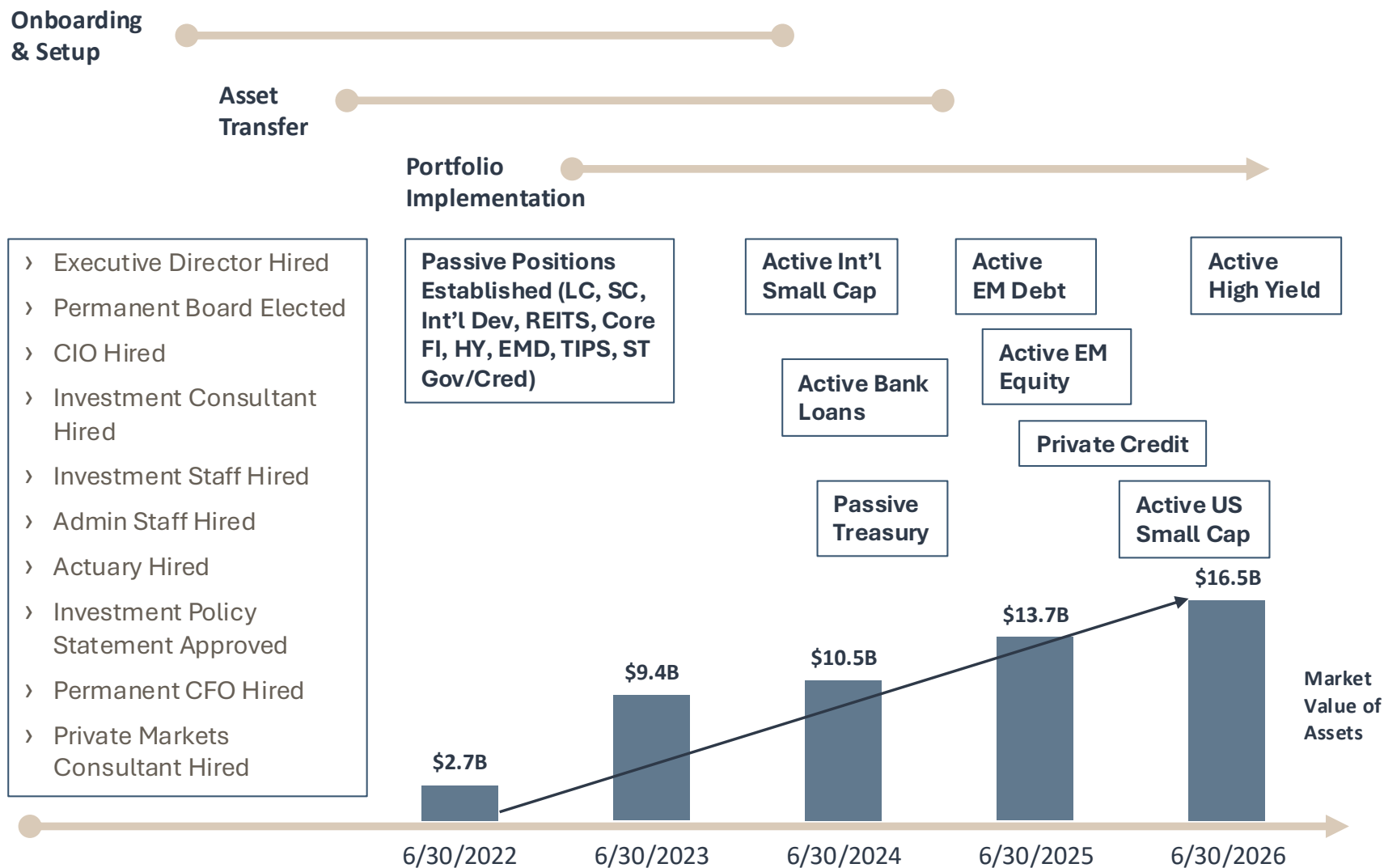
## 2026

| Asset Class            | Long-Term Policy |
|------------------------|------------------|
| <b>Growth</b>          | <b>65%</b>       |
| US Large               | 23%              |
| US Small               | 5%               |
| Int'l Dev              | 19%              |
| Int'l Dev Small        | 5%               |
| EM Equity              | 6%               |
| Private Equity         | 7%               |
| <b>Income</b>          | <b>14%</b>       |
| High Yield             | 3%               |
| EM Debt                | 3%               |
| Bank Loans             | 3%               |
| Private Credit         | 5%               |
| <b>Real Return</b>     | <b>8%</b>        |
| Real Estate            | 5%               |
| Infrastructure         | 3%               |
| <b>Risk Mitigation</b> | <b>13%</b>       |
| Cash                   | 1%               |
| S-T Gov/Credit         | 3%               |
| US Treasury            | 3%               |
| TIPS                   | 3%               |
| Core Fixed             | 3%               |
| <b>Total</b>           | <b>100%</b>      |

## Introduction (cont'd)

- › The objective of this Strategic Asset Allocation deep dive is to re-underwrite the IPOPIF's Long-Term and Interim Strategic Asset Allocation and determine whether adjustments are appropriate
- › With the IPOPIF Investment Staff, we reviewed key issues and responded to timely asset class and allocation questions in the following areas:
  - Domestic small cap and international developed equity overweight relative to the global opportunity set;
  - REITS and commodities in the Real Return sleeve; and
  - Risk Mitigation sleeve simplification
- › This presentation will address these questions and recommend modest adjustments to the IPOPIF's Strategic Asset Allocation, based on quantitative and qualitative analysis

# A Look Back



# The Roles of Asset Classes

Each asset class plays different roles in a portfolio across return, volatility, and diversification

|                                    | RETURN                                                                              |                                                                                     |                                                                                      |                                                                                       | DIVERSIFICATION & VOLATILITY                                                          |                                                                                       |                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                    | Benefit from GDP Growth                                                             | Earn Risk Premium                                                                   | Produce Stable Income                                                                | Hedge Against Inflation                                                               | Low Absolute Volatility                                                               | Low Correlation to Other Assets                                                       | Reduce Portfolio Volatility                                                           |
| Public Equities                    |    |    |    |    |    |    |    |
| Private Equities                   |    |    |    |    |    |    |    |
| Fixed Income (Treasury)            |    |    |    |    |    |    |    |
| Fixed Income (Credit – HY, BL, PC) |    |    |    |    |    |    |    |
| Real Estate                        |  |  |  |  |  |  |  |

|           |                                                                                     |                                                                                     |                                                                                      |                                                                                       |                                                                                       |
|-----------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| MAGNITUDE |  |  |  |  |  |
|           | High                                                                                | Med-High                                                                            | Medium                                                                               | Low                                                                                   | None                                                                                  |

# 10-Year Capital Markets Forecast

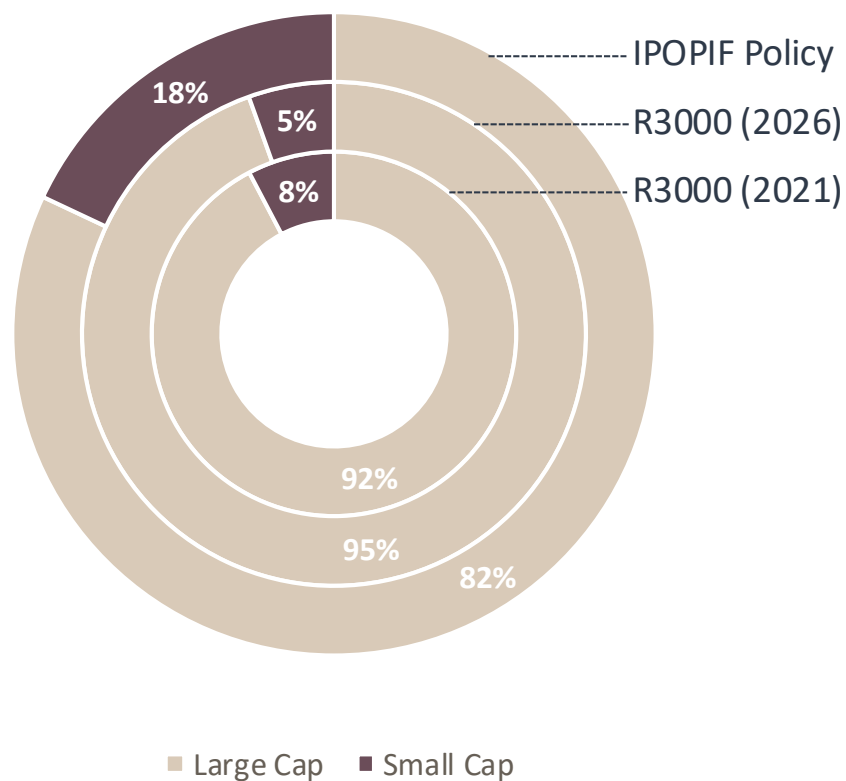
|                           |                                      | Ten-Year Return Forecast |            |                                |                              |                              |                                        |                                        |
|---------------------------|--------------------------------------|--------------------------|------------|--------------------------------|------------------------------|------------------------------|----------------------------------------|----------------------------------------|
| Asset Class               | Index Proxy                          | Geometric                | Arithmetic | Standard Deviation<br>Forecast | Sharpe Ratio<br>Forecast (g) | Sharpe Ratio<br>Forecast (a) | 10-Year Historical<br>Sharpe Ratio (g) | 10-Year Historical<br>Sharpe Ratio (a) |
| Equities                  |                                      |                          |            |                                |                              |                              |                                        |                                        |
| U.S. Large                | S&P 500                              | 5.4%                     | 6.5%       | 15.5%                          | 0.10                         | 0.17                         | 0.86                                   | 0.88                                   |
| U.S. Small                | Russell 2000                         | 6.4%                     | 8.4%       | 21.2%                          | 0.12                         | 0.22                         | 0.37                                   | 0.45                                   |
| International Developed   | MSCI EAFE                            | 6.8%                     | 8.2%       | 17.4%                          | 0.17                         | 0.25                         | 0.44                                   | 0.50                                   |
| International Small       | MSCI EAFE Small Cap                  | 9.4%                     | 11.4%      | 21.2%                          | 0.26                         | 0.36                         | 0.35                                   | 0.42                                   |
| Emerging Markets          | MSCI EM                              | 6.7%                     | 9.3%       | 24.2%                          | 0.12                         | 0.23                         | 0.38                                   | 0.45                                   |
| Private Equity            | CA Private Equity                    | 9.0%                     | 11.9%      | 26.0%                          | 0.20                         | 0.31                         | -                                      | -                                      |
| Fixed Income              |                                      |                          |            |                                |                              |                              |                                        |                                        |
| Cash                      | 30 Day T-Bills                       | 3.7%                     | 3.7%       | 1.1%                           | -                            | -                            | -                                      | -                                      |
| U.S. TIPS                 | Bloomberg U.S. TIPS 5-10             | 4.5%                     | 4.7%       | 5.5%                           | 0.13                         | 0.16                         | 0.18                                   | 0.20                                   |
| U.S. Treasury             | Bloomberg Treasury 7-10 Year         | 4.2%                     | 4.4%       | 7.1%                           | 0.06                         | 0.08                         | -0.15                                  | -0.11                                  |
| Core Fixed Income         | Bloomberg U.S. Aggregate Bond        | 4.7%                     | 4.8%       | 4.9%                           | 0.18                         | 0.20                         | -0.05                                  | -0.02                                  |
| Short-Term Gov't/Credit   | Bloomberg U.S. Gov't/Credit 1-3 Year | 4.2%                     | 4.3%       | 3.6%                           | 0.11                         | 0.14                         | -0.10                                  | -0.09                                  |
| High Yield Corp. Credit   | Bloomberg U.S. Corporate High Yield  | 5.7%                     | 6.2%       | 10.7%                          | 0.18                         | 0.22                         | 0.55                                   | 0.56                                   |
| Bank Loans                | Morningstar LSTA US Leveraged Loan   | 6.1%                     | 6.5%       | 8.7%                           | 0.26                         | 0.31                         | 0.62                                   | 0.63                                   |
| EM Debt (Hard)            | JPM EMBI Global Diversified          | 7.4%                     | 7.8%       | 10.5%                          | 0.35                         | 0.38                         | 0.23                                   | 0.27                                   |
| EM Debt (Local)           | JPM GBI-EM Global Diversified        | 5.6%                     | 6.3%       | 12.1%                          | 0.16                         | 0.21                         | 0.13                                   | 0.19                                   |
| Private Credit            | Morningstar LSTA US Leveraged Loan   | 7.7%                     | 8.5%       | 13.3%                          | 0.29                         | 0.35                         | -                                      | -                                      |
| Other                     |                                      |                          |            |                                |                              |                              |                                        |                                        |
| Commodities               | Bloomberg Commodity                  | 6.4%                     | 7.7%       | 15.8%                          | 0.17                         | 0.25                         | 0.14                                   | 0.20                                   |
| Core Real Estate          | NCREIF Property                      | 7.2%                     | 7.9%       | 11.7%                          | 0.29                         | 0.35                         | -                                      | -                                      |
| Value-Add Real Estate     | NCREIF Property + 200bps             | 9.2%                     | 10.2%      | 14.4%                          | 0.38                         | 0.44                         | -                                      | -                                      |
| Opportunistic Real Estate | NCREIF Property + 300bps             | 10.2%                    | 12.0%      | 19.8%                          | 0.32                         | 0.41                         | -                                      | -                                      |
| REITs                     | FTSE NAREIT Equity REITs             | 7.2%                     | 8.8%       | 18.0%                          | 0.19                         | 0.28                         | 0.25                                   | 0.33                                   |
| Global Infrastructure     | S&P Global Infrastructure            | 8.2%                     | 9.5%       | 16.5%                          | 0.27                         | 0.35                         | 0.44                                   | 0.50                                   |

Source: Cerity Partners 2026 Capital Market Assumptions

# Growth

# Domestic Equity Market Capitalization

## RUSSELL 3000 VS. IPOPIF POLICY TARGET ALLOCATION



- › As small cap has become a smaller portion of the domestic equity opportunity set, IPOPIF's strategic allocation to small cap domestic equity as a share of total domestic equity has increased and is now greater than 3x that of the market weight
- › At the same time, the original arguments favoring an overweight to small cap have weakened

Source for R3000 allocation breakdown: Bloomberg

# Investing in Small Cap – The Case For and Against

| The Case For                                                                                             | The Case Against                                                                                |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <b>Theoretical size premium</b> — historically, small caps have out-earned large caps over long horizons | <b>Higher volatility</b> — larger peak-to-trough drawdowns demand a longer time horizon         |
| <b>Valuation discount</b> — often trade below large-cap multiples, offering attractive entry points      | <b>Liquidity risk</b> — wider spreads and greater market impact, worst during selloffs          |
| <b>Acquisition premiums</b> — frequently acquired by larger firms at a premium, adding a return tailwind | <b>Inconsistent premium</b> — largely negligible since the mid-1980s, once adjusted for quality |
| <b>Greater inefficiency</b> — thin analyst coverage leaves more room for active managers to add value    | <b>Lower profitability</b> — 30% to 40% of the Russell 2000 has at times been unprofitable      |
| <b>Diversification</b> — higher domestic revenue and lower correlation to mega-cap-led indices           | <b>Implementation costs</b> — higher turnover, spreads, and fees erode the theoretical premium  |

# The Evolution of the Fama-French Small-Cap Premium

| Period / Model                                | Original Thesis                                                                                | Counterarguments                                                                                                                | Fama-French Response                                                                                                  |
|-----------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>3-Factor Model (1992–93)</b>               | Size and value factors add to market beta; small caps earned a risk-based premium over 1963–90 | None initially                                                                                                                  | Original 3-factor framework established                                                                               |
| <b>Early Challenges (mid-1990s–2000s)</b>     | A persistent, year-round, global size premium                                                  | Persistence faded after the study window; January effect drove much of it; mixed abroad; concentrated in uninvestable microcaps | No model change                                                                                                       |
| <b>Quality / “Junk” Critique (2000s–2012)</b> | Owning small caps alone captures the premium                                                   | Small-cap indexes are full of unprofitable “junk” (AQR); screen for quality and the raw premium largely vanishes                | Set the stage for an expanded model                                                                                   |
| <b>5-Factor Model (2015)</b>                  | A richer factor set better explains returns                                                    | Quality critique demanded a profitability factor                                                                                | Added profitability and investment factors; the size and value factors both weakened — conceding the quality critique |
| <b>Quality Compromise (2015–present)</b>      | A durable premium survives for high-profitability “quality” small caps                         | Real only if you screen out junk-heavy, cap-weighted indexes (AQR); spawned quality small-cap ETFs                              | Fama-French broadly accepted; still debate mechanism and magnitude                                                    |
| <b>6-Factor Model (2018)</b>                  | Add momentum to capture remaining return variation                                             | 3 → 5 → 6 factor expansion looks like retrofitting to history rather than incontrovertible truth                                | Added a momentum factor                                                                                               |
| <b>Today’s Consensus</b>                      | The raw, unfiltered size premium is weak and inconsistent                                      | Mostly explained by low-quality exposure; risk vs. behavioral debate unresolved                                                 | Quality-adjusted premium more durable but hard to capture after liquidity and implementation costs                    |

Source: Fama & French (1993, 2015, 2018); Asness et al. (AQR). Summary of the academic literature; for discussion purposes only.

# The Shrinking Small-Cap Universe

The number of U.S.-listed companies has fallen by ~25% since 2000 — concentrated in smallest names

## THE NUMBERS

- › ~5,500 U.S.-listed companies in 2000 have fallen to roughly 4,000–4,300 today — a decline of about 25% (and nearly half from the mid-1990s peak)
- › The contraction occurred even as U.S. GDP and the corporate sector grew substantially
- › Small- and micro-caps saw the sharpest attrition — the names most likely to be taken private, acquired, or never listed

## WHY THE OPPORTUNITY SET HAS SHRUNK

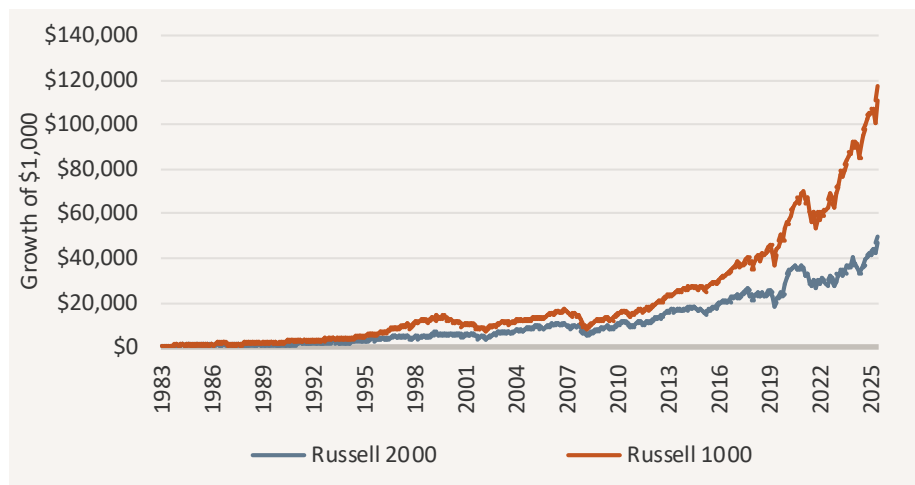
- › **Growth of private capital** — private equity and venture funding let companies stay private far longer, leaving public small-cap a later-stage, more picked-over set
- › **Higher compliance costs** — Sarbanes-Oxley (2002) and later rules made being public costlier for smaller firms, accelerating take-privates
- › **Sustained M&A** — large, cash-rich acquirers have steadily absorbed smaller public companies, often at a premium
- › **A more selective IPO market** — fewer companies list, and those that do tend to be larger and more mature

## IMPLICATION

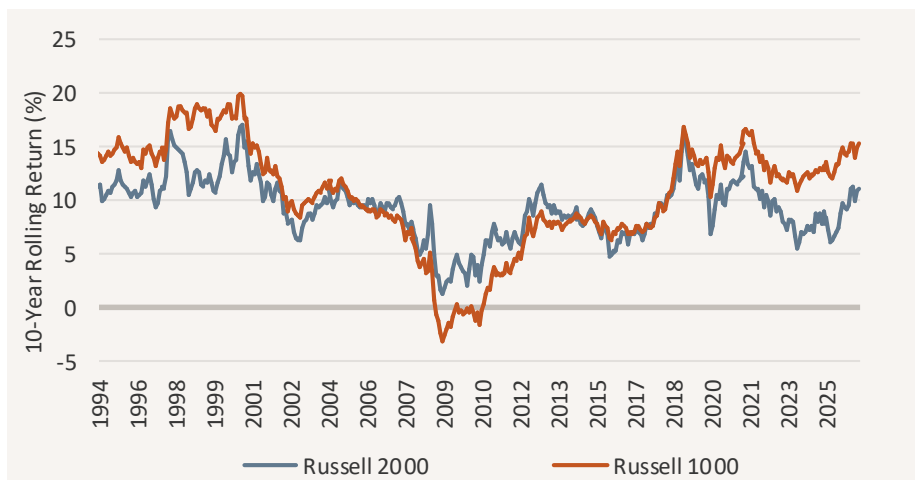
Today's public small-cap market is narrower and more mature than the long-run history underpinning many return studies — useful context when sizing the allocation.

Sources: McKinsey (~5,500 listed companies, 2000); World Bank (~4,000, 2024).

## Historical Performance – Small vs. Large



- › Small cap stocks have meaningfully underperformed large caps since the inception of the FTSE Russell 2000 Index in 1983

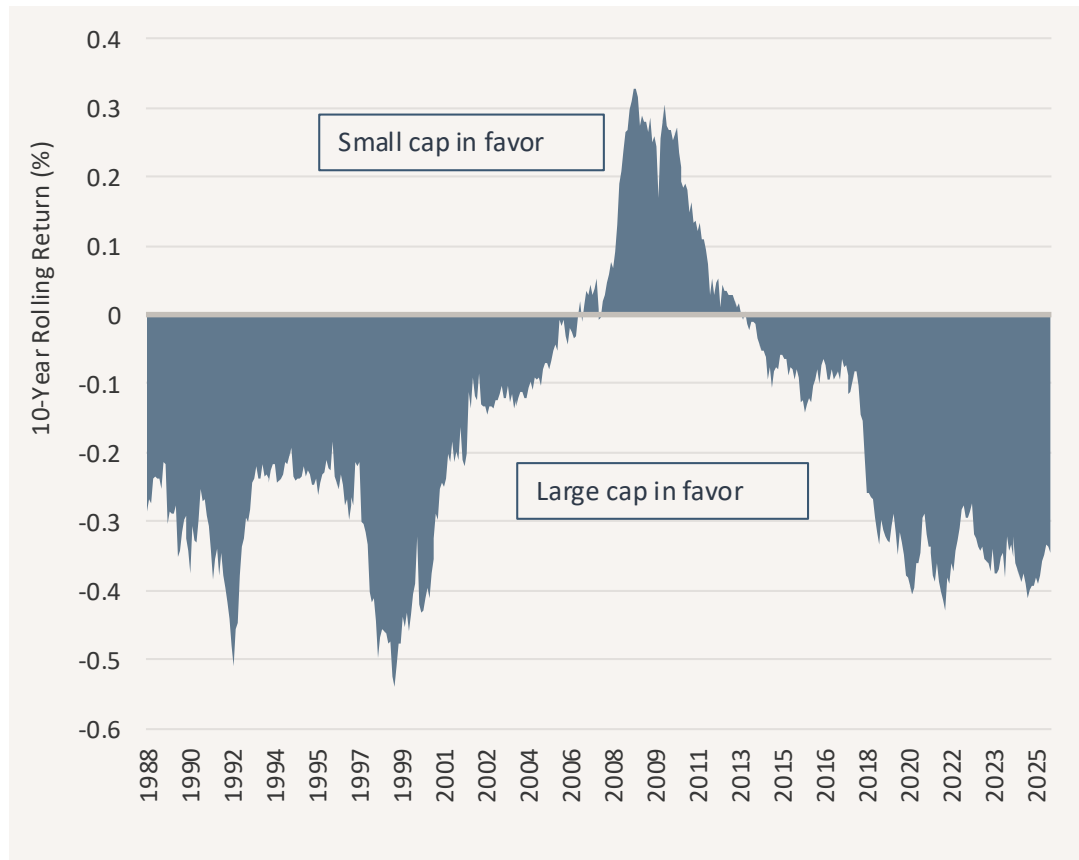


- › Small caps have also underperformed during most since-inception 10-year rolling periods

Source: Russell 2000 vs Russell 1000, as of 5/31/26

# Historical Performance – Small vs. Large , Risk Adjusted

10-YEAR ROLLING SHARPE RATIO (SMALL CAP LESS LARGE CAP)

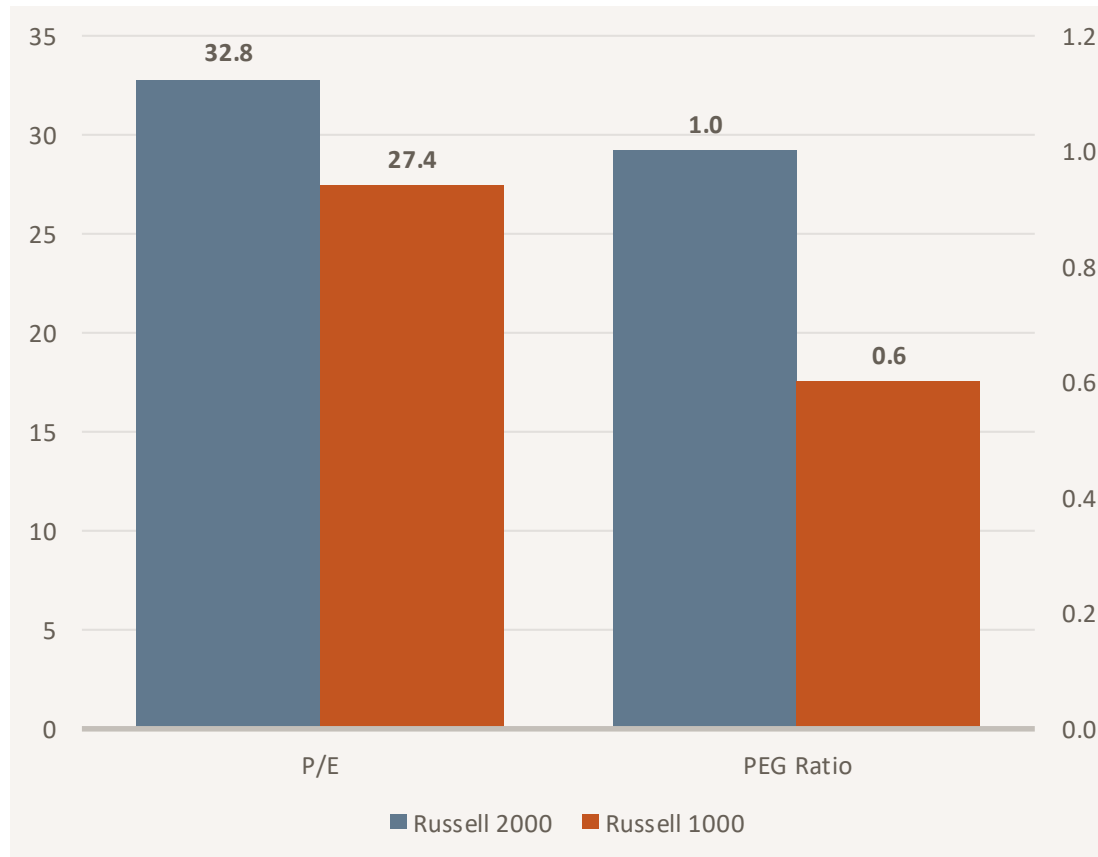


- › Historically, small cap equities have frequently demonstrated subpar risk-adjusted returns

Source: Cerity Partners, Russell 2000 vs Russell 1000, as of 5/31/26

# Valuation Metrics

RUSSELL 2000 VS. RUSSELL 1000 P/E AND PEG RATIOS

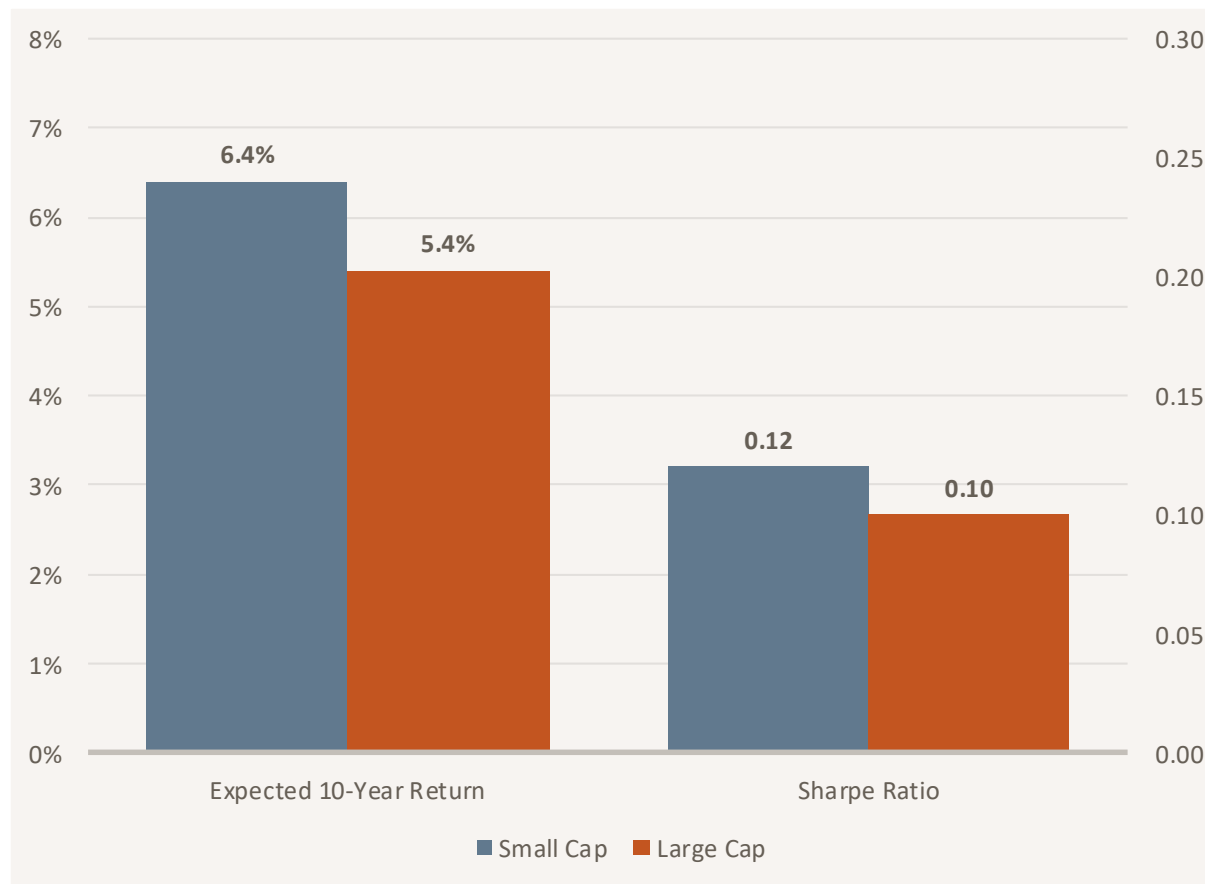


› Approximately 40% of small cap companies have negative earnings, which makes the asset class expensive relative to large cap stocks

Sources: Bloomberg as of 6/23/26. PEG Ratio: forward P/E ÷ estimated next-twelve-month EPS growth.

# Cerity Partners Forecasted Returns Still Favor Small Cap

## 2026 10-YEAR CAPITAL MARKET ASSUMPTIONS



- › Our 10-year forecast still shows small cap outperforming large cap by 100 basis points on an average annualized basis

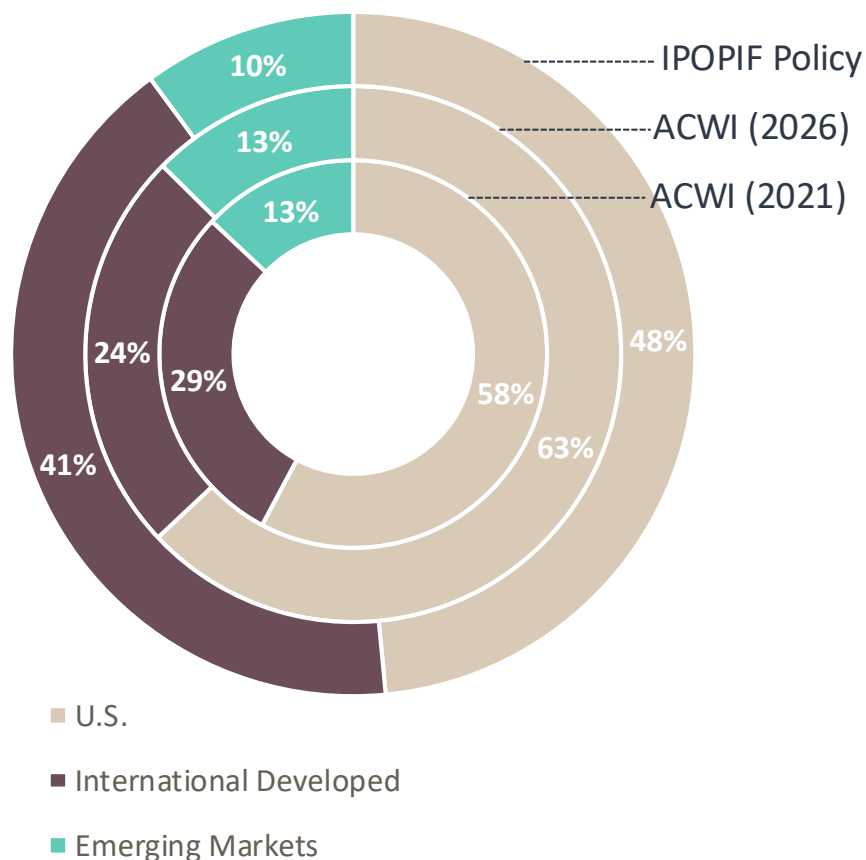
Source: Cerity 2026 Capital Market Assumptions. Small Cap represented by Russell 2000 Index. Large Cap represented by Russell 1000 Index. Expected returns are geometric.

# Recommendation

- › Modestly reduce overweight to domestic small cap equity to:
  - Reduce risk associated with outsized bet on small cap stocks relative to benchmark
  - Return positioning closer to originally intended relative sizing
  - Recognize ongoing potential for mean reversion

# Regional Allocation

MSCI ACWI IMI VS. IPOPIF POLICY TARGET ALLOCATION

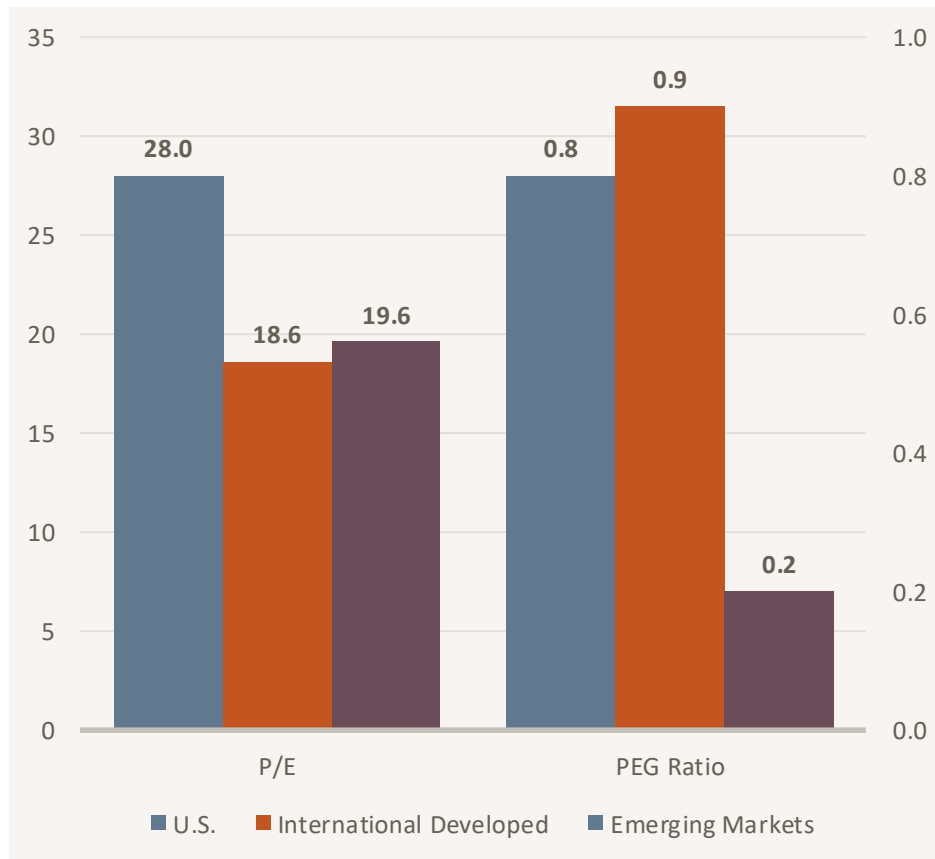


- › IPOPIF holds regional allocation positions that are meaningfully different than the global market opportunity set, i.e., underweight U.S.; overweight International Developed

Source for ACWI IMI allocation breakdown: Bloomberg. IPOPIF Policy allocation does not sum to 100% due to rounding.

# Valuation Metrics

## REGIONAL P/E AND PEG RATIOS

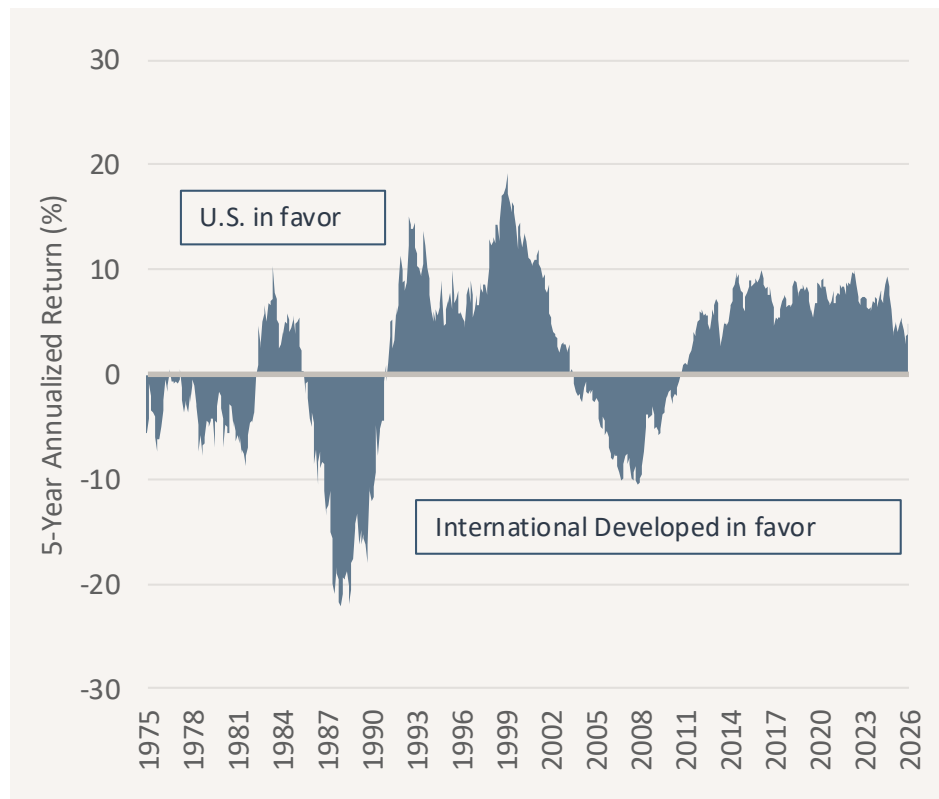


- › Based on P/E alone, the U.S. looks expensive relative to international markets
- › When factoring in earnings growth rates, International Developed becomes less attractive (and Emerging Markets becomes much more attractive due to high implied next 12-month forecasted earnings growth of 76%)

Source: Bloomberg as of 6/23/2026. PEG Ratio = forward P/E ÷ estimated next-twelve-month EPS growth.

# Historical Performance – U.S. vs. International Developed

S&P 500 LESS MSCI EAFE (1974-2025)

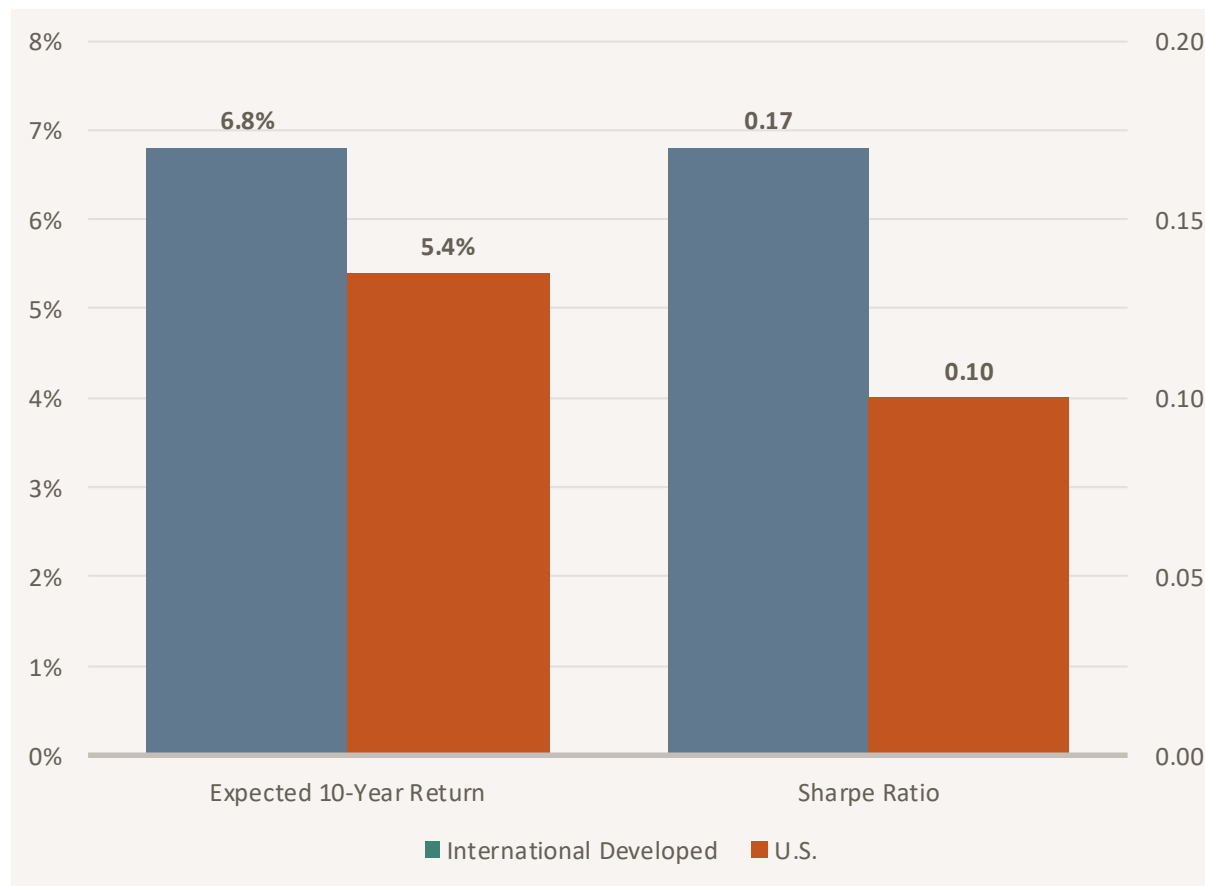


- › U.S. equity has outperformed international developed during 61% of rolling 5-year time periods since 1974

Source: Cerity Partners, S&P 500 minus MSCI EAFE, as of 5/31/26

# Cerity Partners Forecasted Returns Still Favor International

## 2026 10-YEAR CAPITAL MARKET ASSUMPTIONS



› Our 10-year forecast shows International Developed outperforming U.S. Equity by 140 basis points on an average annualized basis

Source: Cerity 2026 Capital Market Assumptions. International Developed represented by MSCI EAFE Index. U.S. represented by S&P 500 Index. Expected returns are geometric.

# Recommendation

- › Modestly reduce overweight to International Developed equity in favor of U.S. equity to:
  - Reduce risk associated with outsized bet on international developed stocks relative to benchmark
  - Return positioning closer to originally intended relative sizing
  - Recognize ongoing potential for mean reversion

# Real Return

# Real Assets outlook

| Negative                                                                            | Neutral                                                                             | Positive                                                                            |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |  |  |

| STRATEGY                         | CURRENT ENVIRONMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | OUTLOOK/IMPLEMENTATION                                                                                                                                                                                                                                                                                                      | '25                                                                                   | '26                                                                                   |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Core real estate</b>          | <ul style="list-style-type: none"> <li>— Redemption queues remain high, hindering managers' ability to reposition</li> <li>— Elevated rates are likely to put downward pressure on returns</li> <li>— Fundamentals have improved with demand showing signs of recovery and new supply slowing</li> </ul>                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>— We favor funds with low redemption queues and strong balance sheets who can play offense</li> </ul>                                                                                                                                                                                |    |    |
| <b>Value-add real estate</b>     | <ul style="list-style-type: none"> <li>— Cap rates have stabilized</li> <li>— Core "forced sellers" driving much of the opportunity set</li> <li>— Deferred maintenance and capital improvement projects are creating a rich pipeline</li> </ul>                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>— We believe no other real estate strategy provides a better risk adjusted return to investors today.</li> </ul>                                                                                                                                                                     |    |    |
| <b>Opportunistic real estate</b> | <ul style="list-style-type: none"> <li>— Severe market dislocation was largely averted by widespread lender accommodation</li> <li>— Oversupplied multifamily and industrial markets are improving as pipelines shrink</li> <li>— Elevated development costs make new builds less attractive than existing asset acquisitions</li> <li>— Out of favor sectors (i.e., office and some retail) look more interesting as they appear to have hit bottom and demand trends positive</li> </ul> | <ul style="list-style-type: none"> <li>— Receding impact of higher rates is leaving less pockets of stress from impaired capital stacks.</li> <li>— Development projects are challenged due to higher costs and low supply absorption</li> <li>— We are constructive on strategies that can pivot across sectors</li> </ul> |    |    |
| <b>Core Infrastructure</b>       | <ul style="list-style-type: none"> <li>— Core infrastructure has benefitted from stabilized cash flows that were less sensitive to rate the rate hiking cycle</li> <li>— Tariffs, protectionism, and onshoring trends are, in most cases, either tailwinds or neutral to the operations of these businesses</li> <li>— Inflation-linked revenue streams remain a structural advantage</li> </ul>                                                                                           | <ul style="list-style-type: none"> <li>— Stabilized assets with inflation-linked revenues will continue to generate durable cash flow</li> <li>— We prefer global core strategies and managers with in-house capabilities to improve operations and manage complex deal structures</li> </ul>                               |  |  |

Source: Cerity Partners 2026 Real Assets Outlook

# Liquid Real Assets Outlook

| Negative                                                                            | Neutral                                                                             | Positive                                                                            |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |  |  |

| STRATEGY    | CURRENT ENVIRONMENT                                                                                                                                                                                                                                                                                                                                                                                                                       | OUTLOOK/IMPLEMENTATION                                                                                                                                                                                                                                                           | '25                                                                                 | '26                                                                                 |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| REITS       | <ul style="list-style-type: none"> <li>Recently, discounts have narrowed, and cap rates may now be only slightly more appealing than privates when analyzed on an implied cap-rate basis.</li> </ul>                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>REITS can provide needed liquidity to a real estate portfolio with the following caveats: high sensitivity to equity market volatility over shorter holding periods, higher leverage, and higher exposures to non-core sectors</li> </ul> |  |  |
| Commodities | <ul style="list-style-type: none"> <li>The value of commodities is mainly influenced by supply and demand, which can be heavily shaped by unpredictable shocks, such as weather, geopolitical events, and technology changes</li> <li>The frequency of supply shocks has been elevated over the last several years, beginning with Covid and continuing through the Iraq war and increasing concern over supply chain control.</li> </ul> | <ul style="list-style-type: none"> <li>We see more downside risk to commodities as the momentum trade in precious metals unwinds and supply stability returns to the energy markets</li> </ul>                                                                                   |  |  |

# Considering REITS

Real estate as a diversifier



## The factor-replication finding



*≈ Historical factor exposure of listed REITs (Kizer & Grover)*

- › REITs correlate most highly with small- and mid-cap value stocks (~74%) — more than with large-cap or growth.
- › Correlation to broad equities is moderate (~0.56) and to investment-grade bonds is low (~0.13).
- › For a portfolio that already tilts toward domestic small-cap, a dedicated REITS sleeve may be adding overlapping, not incremental, factor risk.



## But reasonable as an intermediate-term holding place

- › Even the highest correlation (~74% to small/mid value) still leave over a quarter of REIT variance unexplained
- › Correlations to equities decay meaningfully over longer holding periods, preserving a long-horizon diversification case
- › REITs also carry a distinct inflation-beta profile from lease structures that isn't replicated by an SCV/HY blend

Source: NAREIT ("Are REITs Just Small-Cap Value Stocks?"); Kizer & Grover (2011); PWL Capital; Fidelity; Cohen & Steers, 2024-25.

# Considering Commodities

The structural case against a standing commodities allocation



## No income, negative carry

- › Commodities generate no dividends, coupons, or earnings — return depends entirely on price appreciation.
- › Futures-based indices (how most investors access commodities) suffer roll yield drag in contango markets.
- › A deferred-contract index has outperformed the headline Bloomberg Commodity Index by ~5%/year over 20 years — roll cost, not commodity prices, explains much of the gap.



## Unreliable inflation hedge

- › The Bloomberg Commodity Index explains only ~45% of the variance in core PCE inflation — a weak, inconsistent link.
- › Real-world gaps can be large: one recent 12-month stretch saw CPI commodity costs rise 1.3% while BCOM rose 16.7%.
- › Even gold, the classic hedge, has been historically volatile and only tracks CPI over very long (20+ year) windows.



## Diversification benefit is cyclical, not structural

- › Commodity-equity correlation has swung from low pre-GFC to elevated post-GFC and back — it is regime-dependent, not a stable free lunch.
- › Equities, TIPS, and real assets can source similar inflation-sensitivity and diversification with better long-run carry.
- › A volatile, zero-yield asset requires a strong, persistent diversification case to earn a permanent seat in the portfolio — the data says that case is inconsistent.

Source: Bloomberg Professional Services (BCOM/BCOMF3, 20-yr comparison); CME Group; U.S. Bank; NY Fed research on gold as inflation hedge; Lazard Asset Management.

# Recommendation

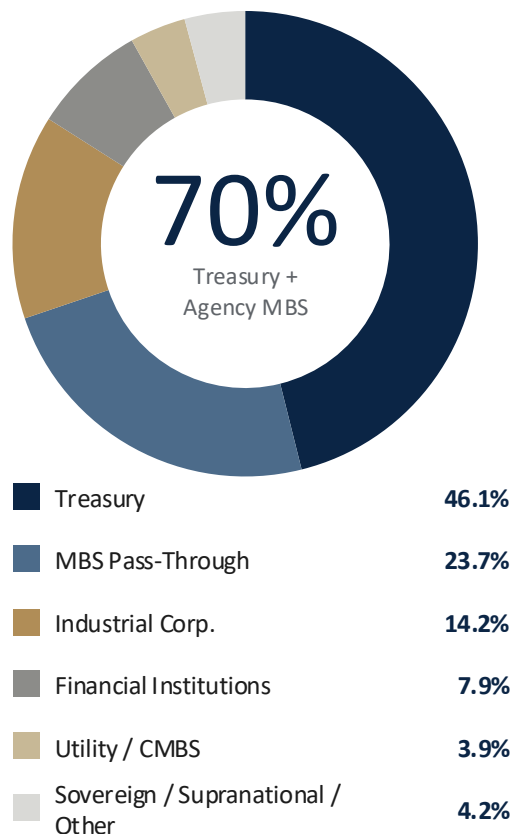
- › No change to Real Return long-term target allocations

# Risk Mitigation

# Dedicated Treasuries vs. Core Fixed Income

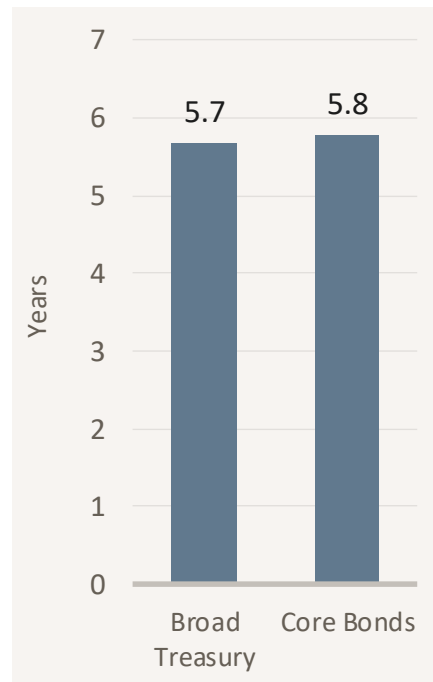
A dedicated Treasury position held alongside a Core Bond position largely duplicates the same government exposure already embedded in the benchmark. Interest rate sensitivity (duration) is similar as well, while the expected risk-adjusted return profile favors Core Bonds.

CORE BOND ALLOCATION



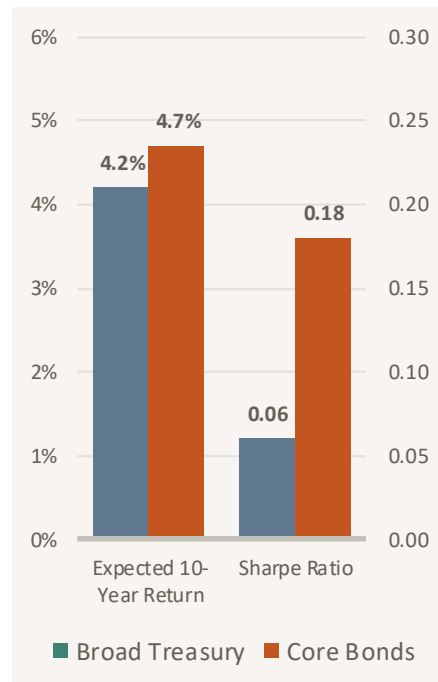
Source: iShares Core U.S. Aggregate Bond ETF (AGG) Fact Sheet, BlackRock, as of 3/31/2026.

DURATION



Source: iShares fact sheets (AGG, GOVT), BlackRock; Vanguard bond duration tool (VGSH), as of 3/31/2026-4/30/2026.

EXPECTED RETURNS



Source: Cerity 2026 Capital Market Assumptions. Broad Treasury represented by Bloomberg 7-10 Year Treasury Index. Core Bonds represented by Bloomberg U.S. Aggregate Bond Index. Expected returns are geometric.

# Recommendation

- › Simplify the Risk Mitigation sleeve by eliminating dedicated Treasuries in favor of Core Fixed Income

# Private Markets

# Why Invest in Private Markets?

## Higher Expected Returns

- > Relative to comparable traditional assets
- > Over the long-term: 5-10 years

## Access to differentiated sources of returns

- > Innovation at various stages of the business lifecycle
- > Companies opting to stay private
- > Diversified universe of opportunities

# Private Markets Refresher

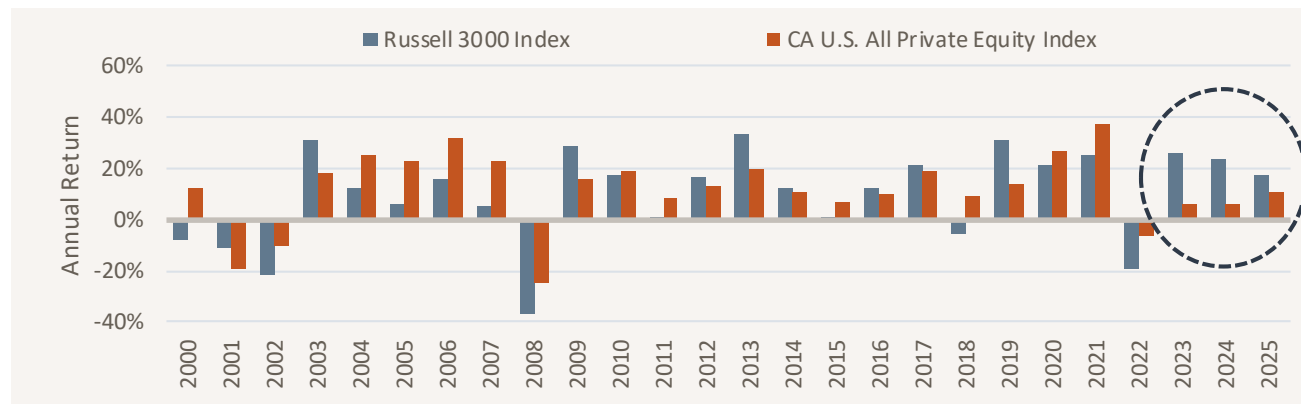
|                                            | Private Equity                                                                                                                                                                                                                               | Private Credit                                                                                           |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>Description</b>                         | Ownership stakes in private companies acquired via buyouts, growth investing, or venture capital                                                                                                                                             | Loans made directly to private companies, bypassing banks and public bond markets                        |
| <b>How Returns Are Earned</b>              | Capital appreciation — operational improvement, growth, and multiple expansion at exit                                                                                                                                                       | Contractual interest income (often floating-rate) plus fees; income-oriented, capital-preservation focus |
| <b>Fund Structure</b>                      | Closed-end fund, ~10–12 year life; GP buys companies and exits via sale or IPO                                                                                                                                                               | Closed-end fund, ~5–8 year life; GP lends money to companies and holds to maturity or refinancing        |
| <b>GP / LP Relationship</b>                | The General Partner (manager) sources deals and runs the portfolio, earning a ~2% management fee plus ~20% carried interest on profits above a hurdle rate; the Limited Partner (capital provider) commits capital and shares in the profits |                                                                                                          |
| <b>Capital Calls</b>                       | LPs commit capital upfront but fund it in stages as the GP identifies deals (“capital calls”), typically drawn down over years 1–5 and returned via distributions as investments are realized                                                |                                                                                                          |
| <b>Liquidity</b>                           | Illiquid — capital is locked up for the fund's life, with no ability to redeem on demand                                                                                                                                                     | Illiquid, but often shorter duration with earlier income distributions along the way                     |
| <b>Expected Premium vs. Public Markets</b> | Expectation of ~300–500 bps/yr above public equities, net of fees                                                                                                                                                                            | Expectation of ~150–300 bps/yr above public credit of similar risk, net of fees                          |
| <b>Premium Rationale</b>                   | Investors are compensated for illiquidity, complexity and information asymmetry, and active value creation by GPs                                                                                                                            |                                                                                                          |

## Other Considerations

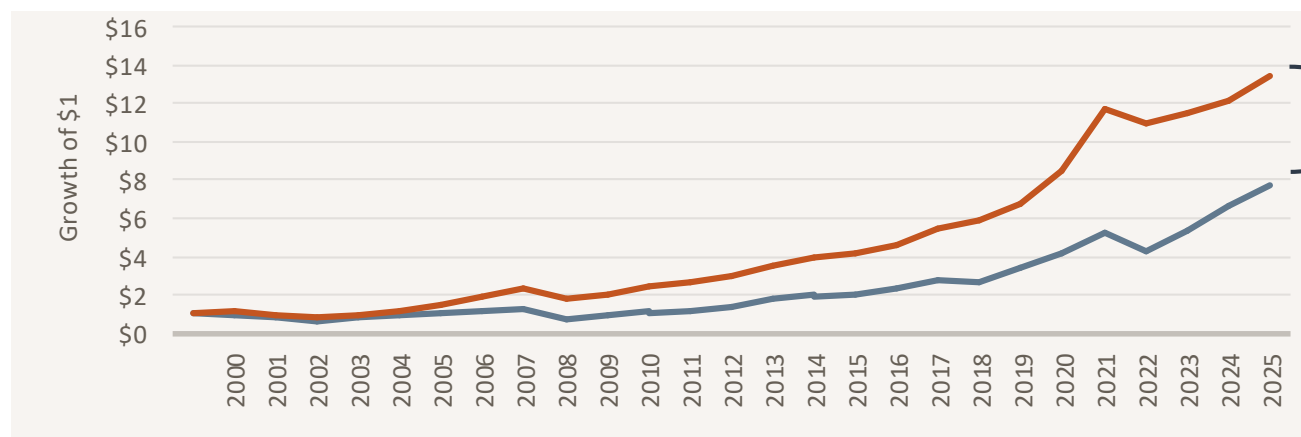
| Consideration            | Description                                                                                                                                                                                                                                    |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Fees</b>              | Higher all-in costs: management fees plus carried interest (e.g., “2 & 20”) can meaningfully reduce net returns.                                                                                                                               |
| <b>Transparency</b>      | Less visibility than public markets — infrequent reporting, lagged and estimated (non-mark-to-market) valuations, and limited disclosure of underlying holdings.                                                                               |
| <b>Manager Selection</b> | Top- and bottom-quartile manager returns diverge far more than in public markets, so outcomes hinge on ability to identify and access to top-tier funds.                                                                                       |
| <b>J-Curve</b>           | Returns often turn negative early as fees and capital calls precede gains, then recover as investments mature — requires patience and a long time horizon.                                                                                     |
| <b>Benchmarking</b>      | Dollar-weighted vs. time-weighted returns, public-market equivalents (PME), and the lack of a clean public benchmark make performance difficult to assess.                                                                                     |
| <b>Democratization</b>   | New semi-liquid and evergreen vehicles targeting retail investors broaden access to private markets beyond traditional institutional investors. An influx of new capital may intensify competition for deals and compress prospective returns. |

# Public vs. Private Equity Performance

RUSSELL 3000 INDEX VS. CAMBRIDGE U.S. PRIVATE EQUITY BENCHMARK, 2000–2025



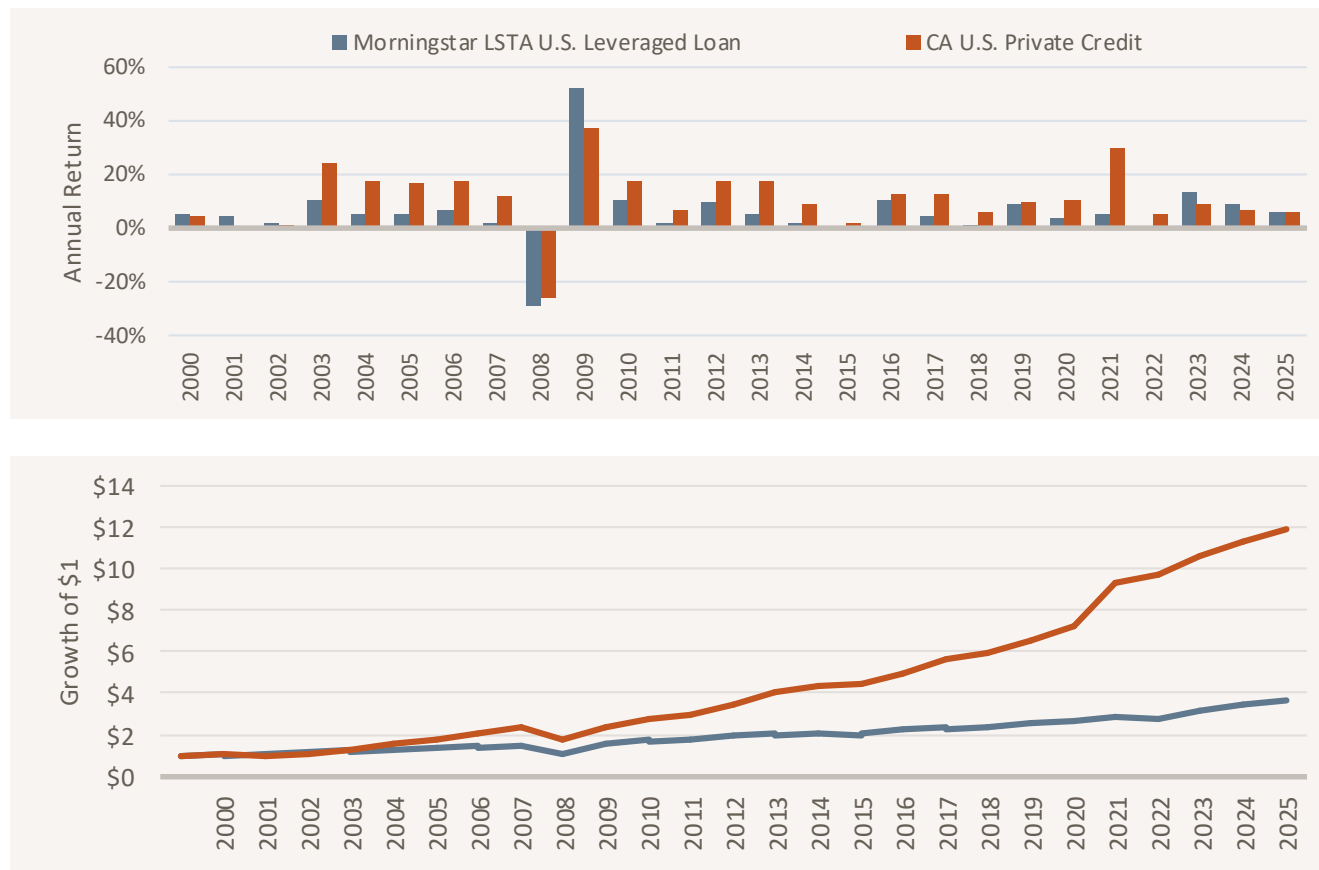
› Despite recent underperformance, private equity has provided strong excess returns over the long-term...



Assumes \$1 invested on 1/1/2000, compounded using each index's annual returns shown above.

# Public vs. Private Credit Performance

MORNINGSTAR LSTA INDEX VS. CAMBRIDGE U.S. PRIVATE CREDIT BENCHMARK, 2000–2025



› ...while Private Credit has consistently outperformed

Assumes \$1 invested on 1/1/2000, compounded using each index's annual returns shown above.

# Peer Allocations

## PRIVATE MARKETS ALLOCATIONS — IPOPIF VS. NATIONAL PEERS AND LARGE ILLINOIS PLANS

| Asset Class    | U.S. Large Public Plans | Large Illinois Public Plans | IPOPIF |
|----------------|-------------------------|-----------------------------|--------|
| Real Estate    | ~6–10%                  | ~7–16%                      | 5%     |
| Infrastructure | ~2–4%                   | ~1–5%                       | 3%     |
| Private Equity | ~10–15%                 | ~11–15%                     | 7%     |
| Private Credit | ~3–5%                   | ~4–7%                       | 5%     |

Sources: U.S. figures (actual allocations) — Public Plans Database / Center for Retirement Research, Cliffwater (Mar 2025), Preqin / BlackRock, Barclays and S&P Global (2024–26). Illinois figures (policy / target allocations) — TRS, SURS, IMRF, IFPIF and IPOPIF investment policies, board materials and quarterly reports (2024–26). IFPIF private-market build-out is still underway. Private credit is often understated where reported within private equity or fixed income.

# Recommendation

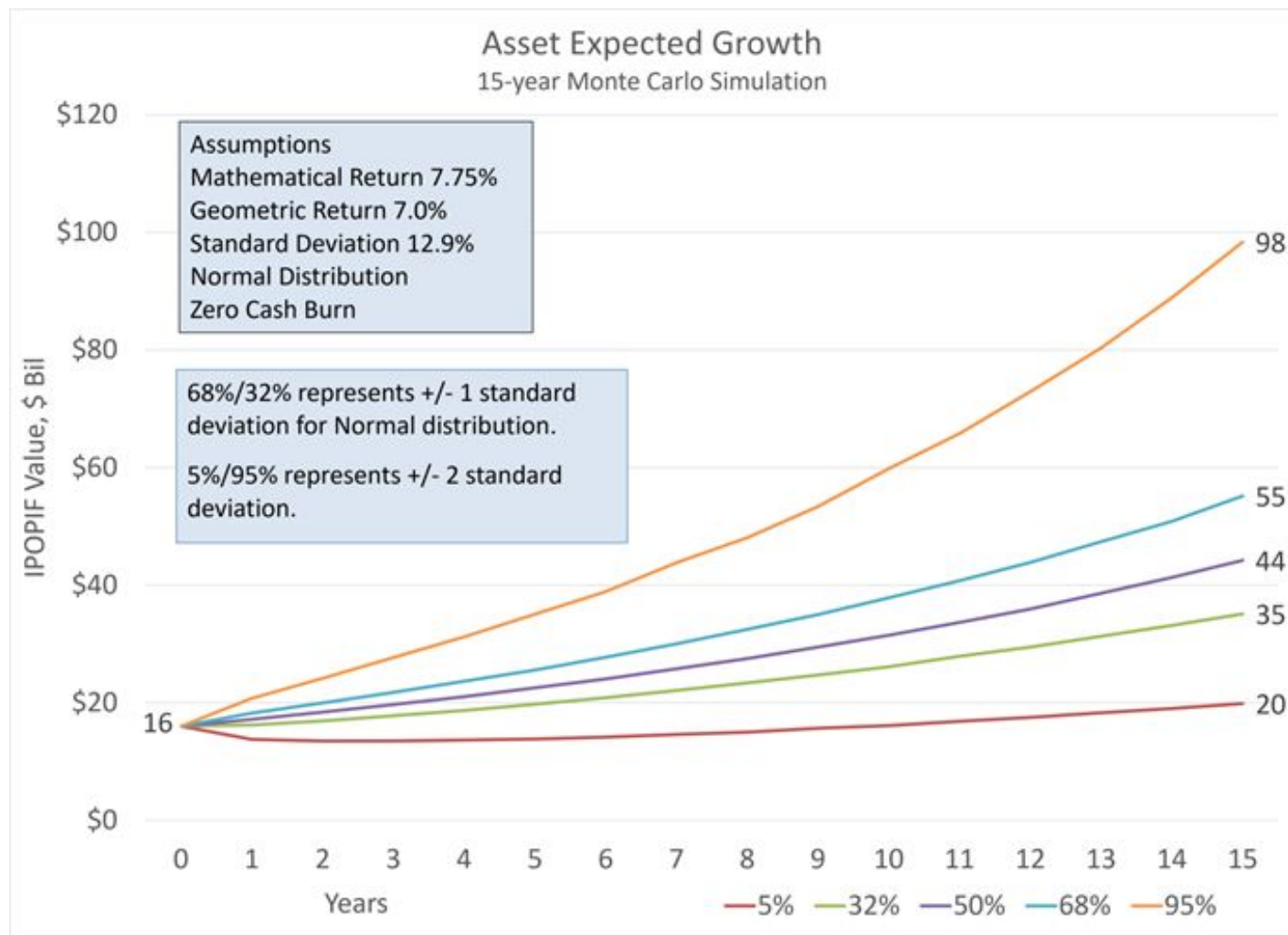
- › No change to Private Markets long-term target allocations
- › Maintain current funding plan
  - Private Equity will be funded from Short-Term Debt
  - Private Credit will be funded from Emerging Market Debt
  - Private Real Estate and Infrastructure will initially be funded from REITS and then from High Yield and Emerging Market Debt

# Expected Outcomes

# Mean Variance Analysis

Point estimate vs. range of outcomes

## Potential Distribution of Plan Value



Source: IPOIF Investment Staff

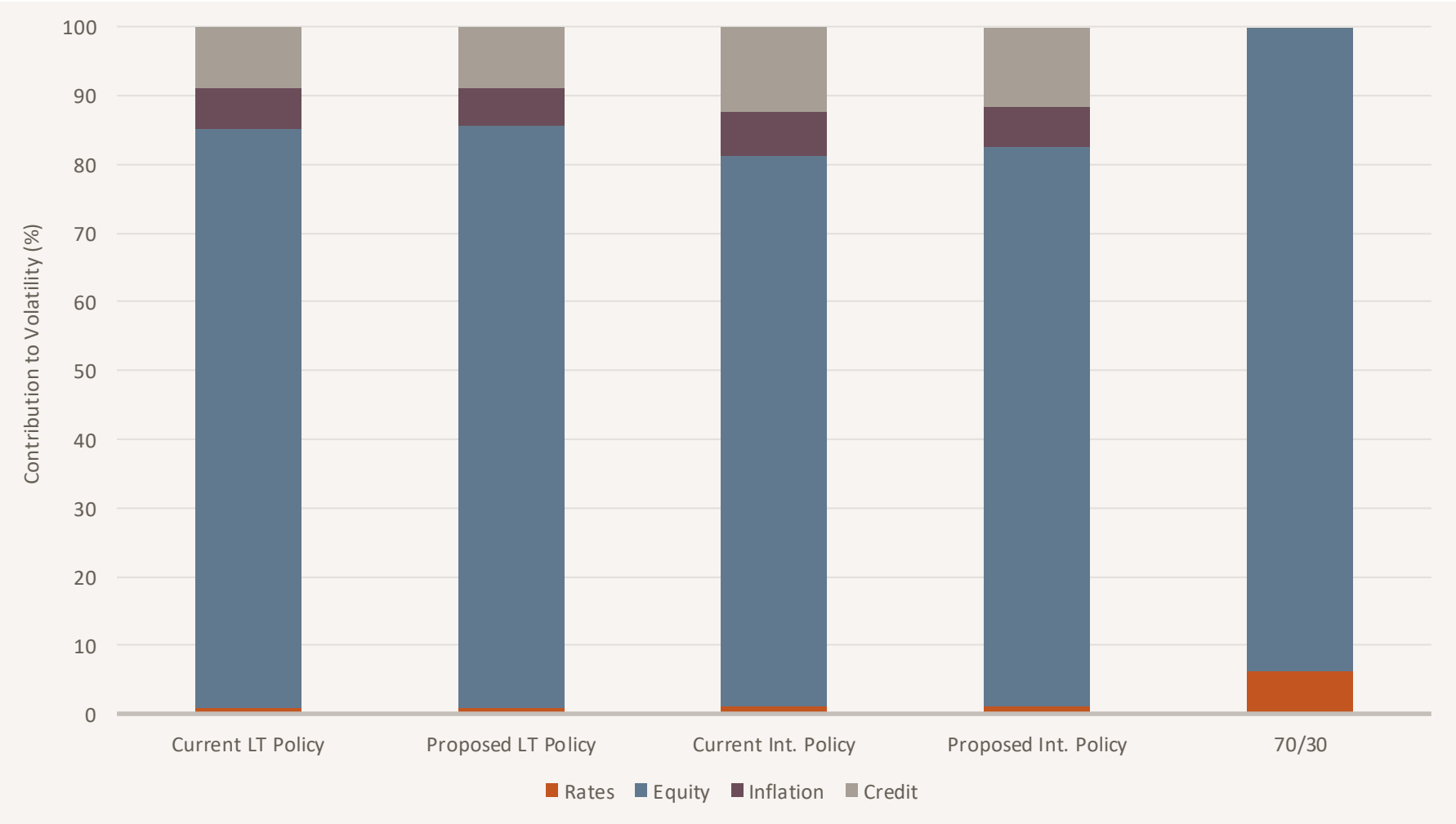
# Mean Variance Analysis

|                                | Current<br>LT Policy | Proposed<br>LT Policy | Current<br>Int. Policy | Proposed<br>Int. Policy | 70/30      | CPIC 2026 CMA's       |                        |                       |                     |
|--------------------------------|----------------------|-----------------------|------------------------|-------------------------|------------|-----------------------|------------------------|-----------------------|---------------------|
|                                |                      |                       |                        |                         |            | Return<br>(geometric) | Return<br>(arithmetic) | Standard<br>Deviation | Sharpe<br>Ratio (a) |
| <b>Growth</b>                  | <b>65</b>            | <b>65</b>             | <b>58</b>              | <b>58</b>               | <b>70</b>  |                       |                        |                       |                     |
| Global Equity                  | -                    | -                     | -                      | -                       | 70         | 6.0                   | 7.3                    | 16.6                  | 0.13                |
| US Large                       | 23                   | 26                    | 23                     | 26                      | -          | 5.4                   | 6.5                    | 15.5                  | 0.10                |
| US Small                       | 5                    | 3                     | 5                      | 3                       | -          | 6.4                   | 8.4                    | 21.2                  | 0.12                |
| International Developed        | 19                   | 18                    | 19                     | 18                      | -          | 6.8                   | 8.2                    | 17.4                  | 0.17                |
| International Developed Small  | 5                    | 5                     | 5                      | 5                       | -          | 9.4                   | 11.4                   | 21.2                  | 0.26                |
| Emerging Markets               | 6                    | 6                     | 6                      | 6                       | -          | 6.7                   | 9.3                    | 24.2                  | 0.12                |
| Private Equity                 | 7                    | 7                     | -                      | -                       | -          | 9.0                   | 11.9                   | 26.0                  | 0.20                |
| <b>Income</b>                  | <b>14</b>            | <b>14</b>             | <b>16</b>              | <b>16</b>               | <b>-</b>   |                       |                        |                       |                     |
| High Yield Corp. Credit        | 3                    | 3                     | 4                      | 4                       | -          | 5.7                   | 6.2                    | 10.7                  | 0.18                |
| Bank Loans                     | 3                    | 3                     | 3                      | 3                       | -          | 6.1                   | 6.5                    | 8.7                   | 0.26                |
| Emerging Market Debt           | 3                    | 3                     | 6                      | 6                       | -          | 6.5                   | 7.1                    | 11.3                  | 0.26                |
| Private Credit                 | 5                    | 5                     | 3                      | 3                       | -          | 7.7                   | 8.5                    | 13.3                  | 0.35                |
| <b>Real Assets</b>             | <b>8</b>             | <b>8</b>              | <b>6</b>               | <b>6</b>                | <b>-</b>   |                       |                        |                       |                     |
| Private Real Estate            | 5                    | 5                     | 2                      | 2                       | -          | 8.4                   | 9.3                    | 13.3                  | 0.34                |
| REITs                          | -                    | -                     | 4                      | 4                       | -          | 7.2                   | 8.8                    | 18.0                  | 0.19                |
| Infrastructure                 | 3                    | 3                     | -                      | -                       | -          | 8.2                   | 9.5                    | 16.5                  | 0.27                |
| <b>Risk Mitigation</b>         | <b>13</b>            | <b>13</b>             | <b>20</b>              | <b>20</b>               | <b>30</b>  |                       |                        |                       |                     |
| Cash                           | 1                    | 1                     | 1                      | 1                       | -          | 3.7                   | 3.7                    | 1.1                   | -                   |
| US TIPS                        | 3                    | 3                     | 3                      | 3                       | -          | 4.5                   | 4.7                    | 5.5                   | 0.13                |
| US Treasury                    | 3                    | -                     | 3                      | -                       | -          | 4.2                   | 4.4                    | 7.1                   | 0.06                |
| Core Fixed Income              | 3                    | 6                     | 3                      | 6                       | 30         | 4.7                   | 4.8                    | 4.9                   | 0.18                |
| Short-Term Gov't/Credit        | 3                    | 3                     | 10                     | 10                      | -          | 4.2                   | 4.3                    | 3.6                   | 0.11                |
| <b>Total</b>                   | <b>100</b>           | <b>100</b>            | <b>100</b>             | <b>100</b>              | <b>100</b> |                       |                        |                       |                     |
| <b>Mean Variance Analysis</b>  |                      |                       |                        |                         |            |                       |                        |                       |                     |
| <b>Forecast 10-year Return</b> | <b>7.0</b>           | <b>7.0</b>            | <b>6.4</b>             | <b>6.4</b>              | <b>5.8</b> |                       |                        |                       |                     |
| Standard Deviation (%)         | 12.9                 | 12.9                  | 12.0                   | 11.9                    | 12.4       |                       |                        |                       |                     |
| Return/Std. Deviation          | 0.54                 | 0.54                  | 0.54                   | 0.54                    | 0.47       |                       |                        |                       |                     |
| 1st Percentile Return (1-year) | -19.0                | -18.9                 | -17.9                  | -17.8                   | -19.2      |                       |                        |                       |                     |
| Sharpe Ratio (a)               | 0.31                 | 0.31                  | 0.28                   | 0.28                    | 0.23       |                       |                        |                       |                     |

Source: Cerity Partners, MPI

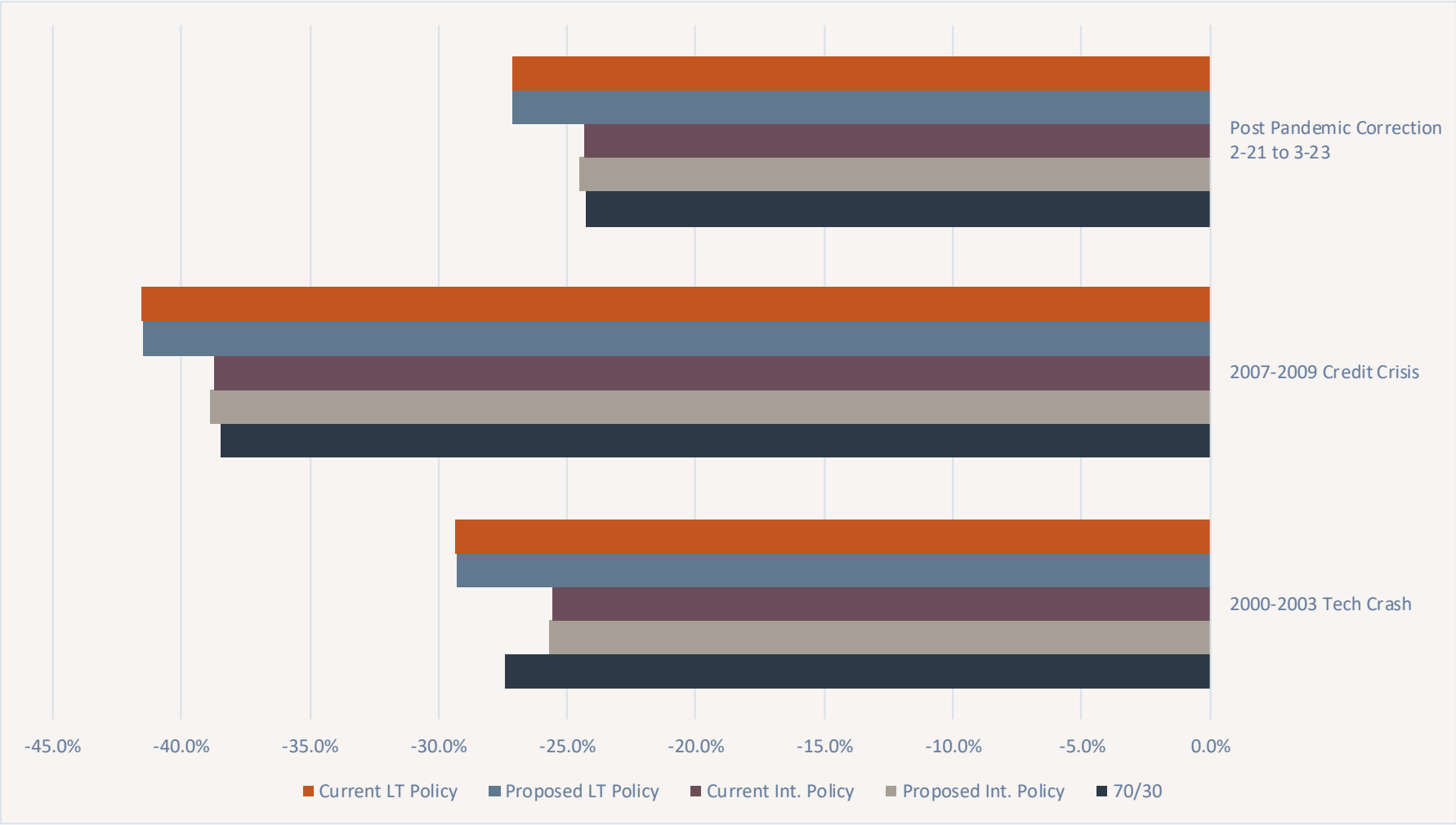
Notes: Private Equity and Private Credit reflect direct investments. Emerging Market Debt was modeled as a mix of local currency and hard currency. Private Real Estate was modeled as a mix of Core and Value Add Real Estate.

# Risk contribution



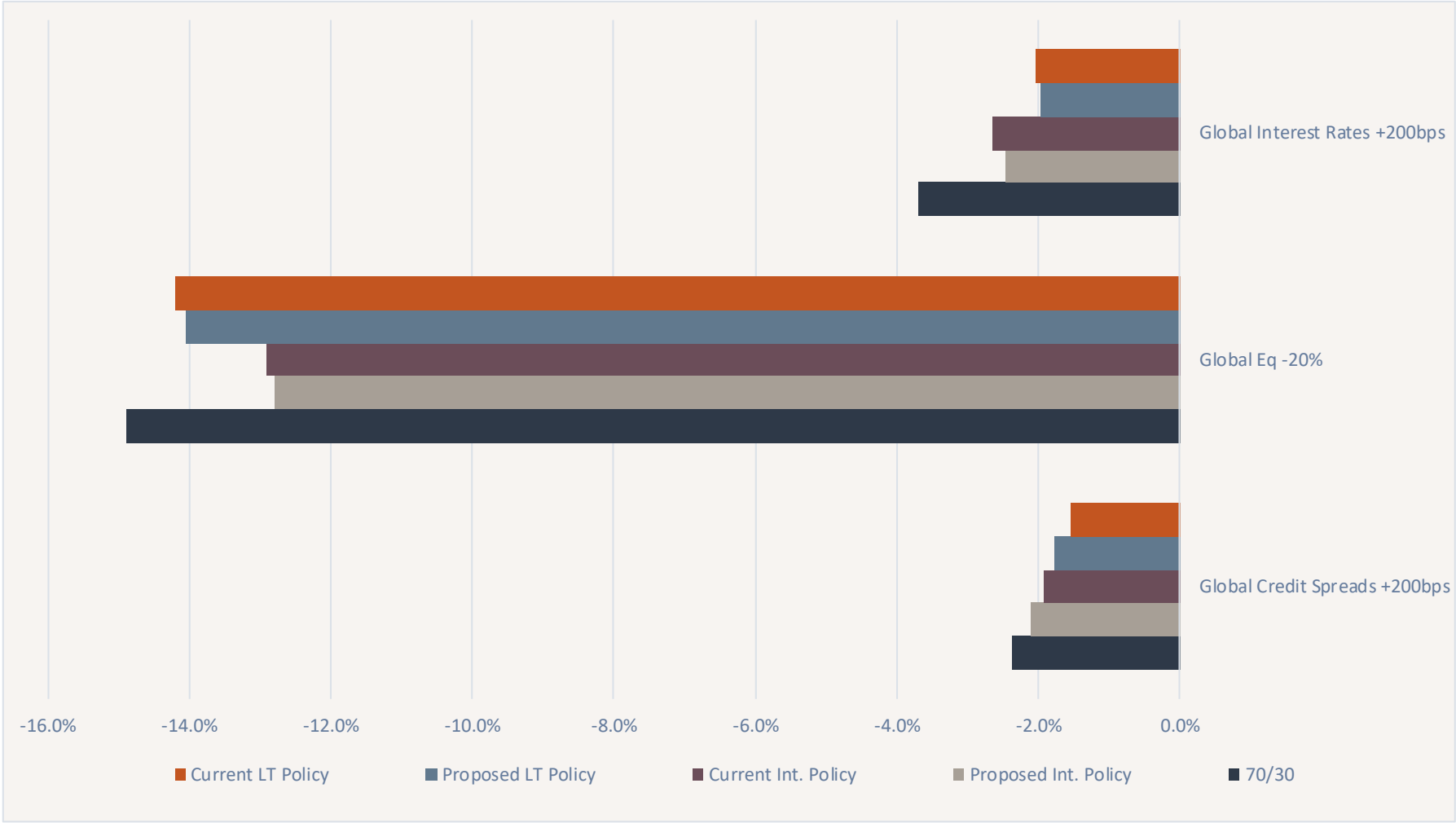
Sources: Cerity Partners, MPI

# Historical drawdown scenarios



Sources: Cerity Partners

# Stress tests



Sources: Cerity Partners

# Recommendation and Next Steps

# Recommendation

- › Approve Proposed Long-Term and Interim policy allocations

# Next Steps

- › Update and adopt Investment Policy
- › Proceed with implementation

# Appendix – 2026 Capital Market Assumptions

# Table of Contents

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# Summary

# Methodology

## Summary of the Cerity Partners' approach

- › We use a fundamental building block approach to forecast asset class returns, based on several inputs. These include practitioner best-in-class thinking, historical data, and academic research. Each year Verus conducts an in-depth review of our methodology, analyzing new industry research findings and evaluating alternative forecasting approaches to determine whether an improvement to our methodology might be warranted. We maintain flexibility and openness to adjusting our approach if strong evidence suggests change is appropriate.
- › For most asset classes, we use the long-term historical volatility after adjusting for autocorrelation.
- › Correlations between asset classes are calculated based on the last decade. For certain illiquid assets we use a Bloomberg factor model and adjustments for price lags to forecast correlations.

| ASSET                     | RETURN METHODOLOGY                                                                                                                                                                                                                                                 | VOLATILITY METHODOLOGY*                                                                        |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Inflation                 | 25% weight to the University of Michigan Survey 5-10 year ahead inflation expectation and the Survey of Professional Forecasters (Fed Survey), and the remaining 50% to the market's expectation for inflation as observed through the 10-year TIPS breakeven rate | -                                                                                              |
| Cash                      | 1/3 * current federal funds rate + 1/3 * U.S. 10-year Treasury yield + 1/3 * Federal Reserve long-term interest rate target                                                                                                                                        | Long-term volatility                                                                           |
| Bonds                     | Nominal bonds: current yield; Real bonds: real yield + inflation forecast                                                                                                                                                                                          | Long-term volatility                                                                           |
| International Bonds       | Current yield                                                                                                                                                                                                                                                      | Long-term volatility                                                                           |
| Credit                    | Current option-adjusted spread + U.S. 10-year Treasury – effective default rate                                                                                                                                                                                    | Long-term volatility                                                                           |
| International Credit      | Current option-adjusted spread + foreign 10-year Treasury – effective default rate                                                                                                                                                                                 | Long-term volatility                                                                           |
| Private Credit            | Levered gross return (SOFR + spread + original issuance discounts) – management fees – carried interest                                                                                                                                                            | Estimated volatility                                                                           |
| Equity                    | Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change                                                                                                                                       | Long-term volatility                                                                           |
| Intl Developed Equity     | Current yield + real earnings growth (historical average) + inflation on earnings (intl. inflation forecast) + expected P/E change                                                                                                                                 | Long-term volatility                                                                           |
| Private Equity**          | US large cap domestic equity forecast * 1.85 beta adjustment                                                                                                                                                                                                       | Implied annualized volatility, using actual historical private equity performance distribution |
| Commodities               | Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)                                                                                                                                                                     | Long-term volatility                                                                           |
| Hedge Funds               | Return coming from traditional market betas + historical idiosyncratic/alpha return                                                                                                                                                                                | Long-term volatility                                                                           |
| Core Real Estate          | Cap rate + real income growth – capex + inflation forecast                                                                                                                                                                                                         | 65% of REIT volatility                                                                         |
| RBTs                      | Core real estate                                                                                                                                                                                                                                                   | Long-term volatility                                                                           |
| Value-Add Real Estate     | Core real estate + 2%                                                                                                                                                                                                                                              | Volatility to produce Sharpe Ratio (g) equal to core real estate                               |
| Opportunistic Real Estate | Core real estate + 3%                                                                                                                                                                                                                                              | Volatility to produce Sharpe Ratio (g) equal to core real estate                               |
| Infrastructure            | Current yield + real income growth + inflation on earnings (inflation forecast)                                                                                                                                                                                    | Long-term volatility                                                                           |
| Risk Parity               | Modeled as the 10-year return expectations of a representative selection of Risk Parity strategy exposures                                                                                                                                                         | Target volatility                                                                              |

\*Long-term historical volatility data is adjusted for autocorrelation (see Appendix)

\*\*Private Equity is modeled assuming an 8.0% floor for expected return, and a 3% return premium ceiling over U.S. Large Cap Equity. These adjustments are in place to recognize that higher interest rates (cost of leverage) act as a drag on expected Private Equity returns but that this drag has had limits historically, and to recognize that future Private Equity total universe performance is likely to be more anchored to public equity performance than in past times, given a more competitive market environment

# 10-Year Return & Risk Assumptions

| ASSET CLASS                     | INDEX PROXY                               | TEN YEAR RETURN FORECAST |            | STANDARD DEVIATION FORECAST | SHARPE RATIO FORECAST (G) | SHARPE RATIO FORECAST (A) | 10-YEAR HISTORICAL SHARPE RATIO (G) | 10-YEAR HISTORICAL SHARPE RATIO (A) |
|---------------------------------|-------------------------------------------|--------------------------|------------|-----------------------------|---------------------------|---------------------------|-------------------------------------|-------------------------------------|
|                                 |                                           | GEOMETRIC                | ARITHMETIC |                             |                           |                           |                                     |                                     |
| EQUITIES                        |                                           |                          |            |                             |                           |                           |                                     |                                     |
| U.S. Large                      | S&P 500                                   | 5.4%                     | 6.5%       | 15.5%                       | 0.10                      | 0.17                      | 0.86                                | 0.88                                |
| U.S. Small                      | Russell 2000                              | 6.4%                     | 8.4%       | 21.2%                       | 0.12                      | 0.22                      | 0.37                                | 0.45                                |
| International Developed         | MSCI EAFE                                 | 6.8%                     | 8.2%       | 17.4%                       | 0.17                      | 0.25                      | 0.44                                | 0.50                                |
| International Small             | MSCI EAFE Small Cap                       | 9.4%                     | 11.4%      | 21.2%                       | 0.26                      | 0.36                      | 0.35                                | 0.42                                |
| Emerging Markets                | MSCI EM                                   | 6.7%                     | 9.3%       | 24.2%                       | 0.12                      | 0.23                      | 0.38                                | 0.45                                |
| Global Equity                   | MSCI ACWI                                 | 6.0%                     | 7.3%       | 16.6%                       | 0.13                      | 0.21                      | 0.67                                | 0.70                                |
| Global Equity ex USA            | MSCI ACWI ex USA                          | 6.9%                     | 8.6%       | 19.2%                       | 0.16                      | 0.25                      | 0.42                                | 0.47                                |
| Private Equity                  | CA Private Equity                         | 8.0%                     | 10.9%      | 26.0%                       | 0.16                      | 0.27                      | -                                   | -                                   |
| Private Equity Direct           | CA Private Equity                         | 9.0%                     | 11.9%      | 26.0%                       | 0.20                      | 0.31                      | -                                   | -                                   |
| Private Equity (FoF)            | CA Private Equity                         | 7.0%                     | 10.0%      | 26.0%                       | 0.12                      | 0.24                      | -                                   | -                                   |
| FIXED INCOME                    |                                           |                          |            |                             |                           |                           |                                     |                                     |
| Cash                            | 30 Day T-Bills                            | 3.7%                     | 3.7%       | 1.1%                        | -                         | -                         | -                                   | -                                   |
| U.S. TIPS                       | Bloomberg U.S. TIPS 5-10                  | 4.5%                     | 4.7%       | 5.5%                        | 0.13                      | 0.16                      | 0.18                                | 0.20                                |
| Non-U.S. Inflation Linked Bonds | Bbg World Govt. Inf Linked Bond ex U.S.   | 4.1%                     | 3.7%       | 7.3%                        | 0.04                      | -0.01                     | -0.04                               | -0.01                               |
| U.S. Treasury                   | Bloomberg Treasury 7-10 Year              | 4.2%                     | 4.4%       | 7.1%                        | 0.06                      | 0.08                      | -0.15                               | -0.11                               |
| Long U.S. Treasury              | Bloomberg Treasury 20+ Year               | 4.7%                     | 5.6%       | 13.4%                       | 0.07                      | 0.13                      | -0.19                               | -0.13                               |
| Global Sovereign ex U.S.        | Bloomberg Global Treasury ex U.S.         | 2.7%                     | 3.2%       | 9.9%                        | -0.11                     | -0.06                     | -0.26                               | -0.21                               |
| Global Aggregate                | Bloomberg Global Aggregate                | 3.8%                     | 4.0%       | 6.6%                        | 0.00                      | 0.03                      | -0.15                               | -0.11                               |
| Core Fixed Income               | Bloomberg U.S. Aggregate Bond             | 4.7%                     | 4.8%       | 4.9%                        | 0.18                      | 0.20                      | -0.05                               | -0.02                               |
| Core Plus Fixed Income          | Bloomberg U.S. Universal                  | 4.8%                     | 4.9%       | 4.6%                        | 0.22                      | 0.24                      | 0.04                                | 0.06                                |
| Investment Grade Corp. Credit   | Bloomberg U.S. Corporate Investment Grade | 4.8%                     | 5.1%       | 8.3%                        | 0.12                      | 0.16                      | 0.15                                | 0.18                                |
| Short-Term Gov't/ Credit        | Bloomberg U.S. Gov't/Credit 1-3 Year      | 4.2%                     | 4.3%       | 3.6%                        | 0.11                      | 0.14                      | -0.10                               | -0.09                               |
| Short-Term Credit               | Bloomberg Credit 1-3 Year                 | 4.4%                     | 4.5%       | 3.6%                        | 0.17                      | 0.19                      | 0.23                                | 0.24                                |
| Intermediate Credit             | Bloomberg U.S. Intermediate Credit        | 4.6%                     | 4.8%       | 5.9%                        | 0.14                      | 0.17                      | 0.21                                | 0.22                                |
| Long-Term Credit                | Bloomberg Long U.S. Credit                | 4.7%                     | 5.3%       | 11.0%                       | 0.08                      | 0.14                      | 0.11                                | 0.16                                |
| High Yield Corp. Credit         | Bloomberg U.S. Corporate High Yield       | 5.7%                     | 6.2%       | 10.7%                       | 0.18                      | 0.22                      | 0.55                                | 0.56                                |
| Bank Loans                      | Morningstar LSTA US Leveraged Loan        | 6.1%                     | 6.5%       | 8.7%                        | 0.26                      | 0.31                      | 0.62                                | 0.63                                |
| Global Credit                   | Bloomberg Global Credit                   | 4.3%                     | 4.6%       | 7.7%                        | 0.06                      | 0.10                      | 0.13                                | 0.16                                |
| Emerging Markets Debt (Hard)    | JPM EMBI Global Diversified               | 7.4%                     | 7.8%       | 10.5%                       | 0.35                      | 0.38                      | 0.23                                | 0.27                                |
| Emerging Markets Debt (Local)   | JPM GBI-EM Global Diversified             | 5.6%                     | 6.3%       | 12.1%                       | 0.16                      | 0.21                      | 0.13                                | 0.19                                |
| Securitized Credit              | Bbg U.S. Securitized: MBS, ABS, and CMBS  | 5.1%                     | 5.2%       | 4.0%                        | 0.35                      | 0.35                      | -0.12                               | -0.09                               |
| Multi-Asset Credit              | 50/50 (High Yield / Bank Loans)           | 5.9%                     | 6.4%       | 9.3%                        | 0.23                      | 0.27                      | -                                   | -                                   |

# 10-Year Return & Risk Assumptions

| ASSET CLASS                                  | INDEX PROXY                        | TEN YEAR RETURN FORECAST |            | STANDARD DEVIATION FORECAST | SHARPE RATIO FORECAST (G) | SHARPE RATIO FORECAST (A) | 10-YEAR HISTORICAL SHARPE RATIO (G) | 10-YEAR HISTORICAL SHARPE RATIO (A) |
|----------------------------------------------|------------------------------------|--------------------------|------------|-----------------------------|---------------------------|---------------------------|-------------------------------------|-------------------------------------|
|                                              |                                    | GEOMETRIC                | ARITHMETIC |                             |                           |                           |                                     |                                     |
| FIXED INCOME(CONT'D)                         |                                    |                          |            |                             |                           |                           |                                     |                                     |
| Private Credit                               | Morningstar LSTA US Leveraged Loan | 7.7%                     | 8.5%       | 13.3%                       | 0.29                      | 0.35                      | -                                   | -                                   |
| Private Credit (Direct Lending - Unlevered)  | Morningstar LSTA US Leveraged Loan | 6.3%                     | 6.7%       | 8.7%                        | 0.29                      | 0.33                      | -                                   | -                                   |
| Private Credit (Direct Lending - Levered)    | Morningstar LSTA US Leveraged Loan | 7.4%                     | 8.1%       | 12.3%                       | 0.29                      | 0.35                      | -                                   | -                                   |
| Private Credit (Credit Opportunities)        | Morningstar LSTA US Leveraged Loan | 8.4%                     | 9.6%       | 16.0%                       | 0.29                      | 0.36                      | -                                   | -                                   |
| Private Credit (Junior Capital / Mezzanine)  | Morningstar LSTA US Leveraged Loan | 7.8%                     | 8.7%       | 14.0%                       | 0.29                      | 0.35                      | -                                   | -                                   |
| Private Credit (Distressed)                  | Morningstar LSTA US Leveraged Loan | 8.6%                     | 12.2%      | 29.1%                       | 0.16                      | 0.29                      | -                                   | -                                   |
| OTHER                                        |                                    |                          |            |                             |                           |                           |                                     |                                     |
| Commodities                                  | Bloomberg Commodity                | 6.4%                     | 7.7%       | 15.8%                       | 0.17                      | 0.25                      | 0.14                                | 0.20                                |
| Hedge Funds                                  | HFRI Fund Weighted Composite       | 5.1%                     | 5.4%       | 7.5%                        | 0.17                      | 0.21                      | 0.70                                | 0.70                                |
| Hedge Fund of Funds                          | HFRI Fund of Funds Composite       | 4.1%                     | 4.4%       | 7.5%                        | 0.04                      | 0.08                      | 0.50                                | 0.51                                |
| Hedge Funds (Equity Style)                   | Custom HFRI Benchmark Mix*         | 5.4%                     | 6.3%       | 14.0%                       | 0.11                      | 0.18                      | 0.50                                | 0.53                                |
| Hedge Funds (Credit Style)                   | Custom HFRI Benchmark Mix*         | 5.3%                     | 5.7%       | 9.3%                        | 0.16                      | 0.20                      | 0.77                                | 0.77                                |
| Hedge Funds (Asymmetric Style)               | Custom HFRI Benchmark Mix*         | 5.3%                     | 5.6%       | 6.3%                        | 0.25                      | 0.29                      | 0.63                                | 0.63                                |
| Real Estate Debt                             | Bloomberg CMBS IG                  | 6.3%                     | 6.6%       | 7.3%                        | 0.34                      | 0.38                      | 0.12                                | 0.14                                |
| Core Real Estate                             | NCREIF Property                    | 7.2%                     | 7.9%       | 11.7%                       | 0.29                      | 0.35                      | -                                   | -                                   |
| Value-Add Real Estate                        | NCREIF Property + 200bps           | 9.2%                     | 10.2%      | 14.4%                       | 0.38                      | 0.44                      | -                                   | -                                   |
| Opportunistic Real Estate                    | NCREIF Property + 300bps           | 10.2%                    | 12.0%      | 19.8%                       | 0.32                      | 0.41                      | -                                   | -                                   |
| REITs                                        | FTSE Nareit Equity REITs           | 7.2%                     | 8.8%       | 18.0%                       | 0.19                      | 0.28                      | 0.25                                | 0.33                                |
| Global Infrastructure                        | S&P Global Infrastructure          | 8.2%                     | 9.5%       | 16.5%                       | 0.27                      | 0.35                      | 0.44                                | 0.50                                |
| Risk Parity**                                | S&P Risk Parity 10% Vol Index      | 6.9%                     | 7.4%       | 10.0%                       | 0.32                      | 0.36                      | 0.52                                | 0.55                                |
| Currency Beta                                | MSCI Currency Factor Index         | 2.1%                     | 2.2%       | 3.3%                        | -0.52                     | -0.48                     | -0.74                               | -0.72                               |
| Inflation                                    |                                    | 2.7%                     | -          | -                           | -                         | -                         | -                                   | -                                   |
| 60/40 Portfolio (Global Equity / Core Fixed) |                                    |                          |            |                             |                           |                           |                                     |                                     |
|                                              |                                    | 5.7%                     | 6.3%       | 11.0%                       | 0.17                      | 0.23                      | 0.62                                | 0.60                                |

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

\*To represent hedge fund styles, we use a combination of HFRI benchmarks: Equity Style = 33% HFRI Fundamental Growth, 33% HFRI Fundamental Value, 33% HFRI Activist. Credit Style = 20% HFRI Distressed/Restructuring, 20% HFRI Credit Arbitrage, 20% HFRI Fixed Income-Corporate, 20% HFRI Fixed Income-Convertible Arbitrage, 20% HFRI Fixed Income-Asset Backed. Asymmetric Style = 50% HFRI Relative Value, 50% HFRI Macro

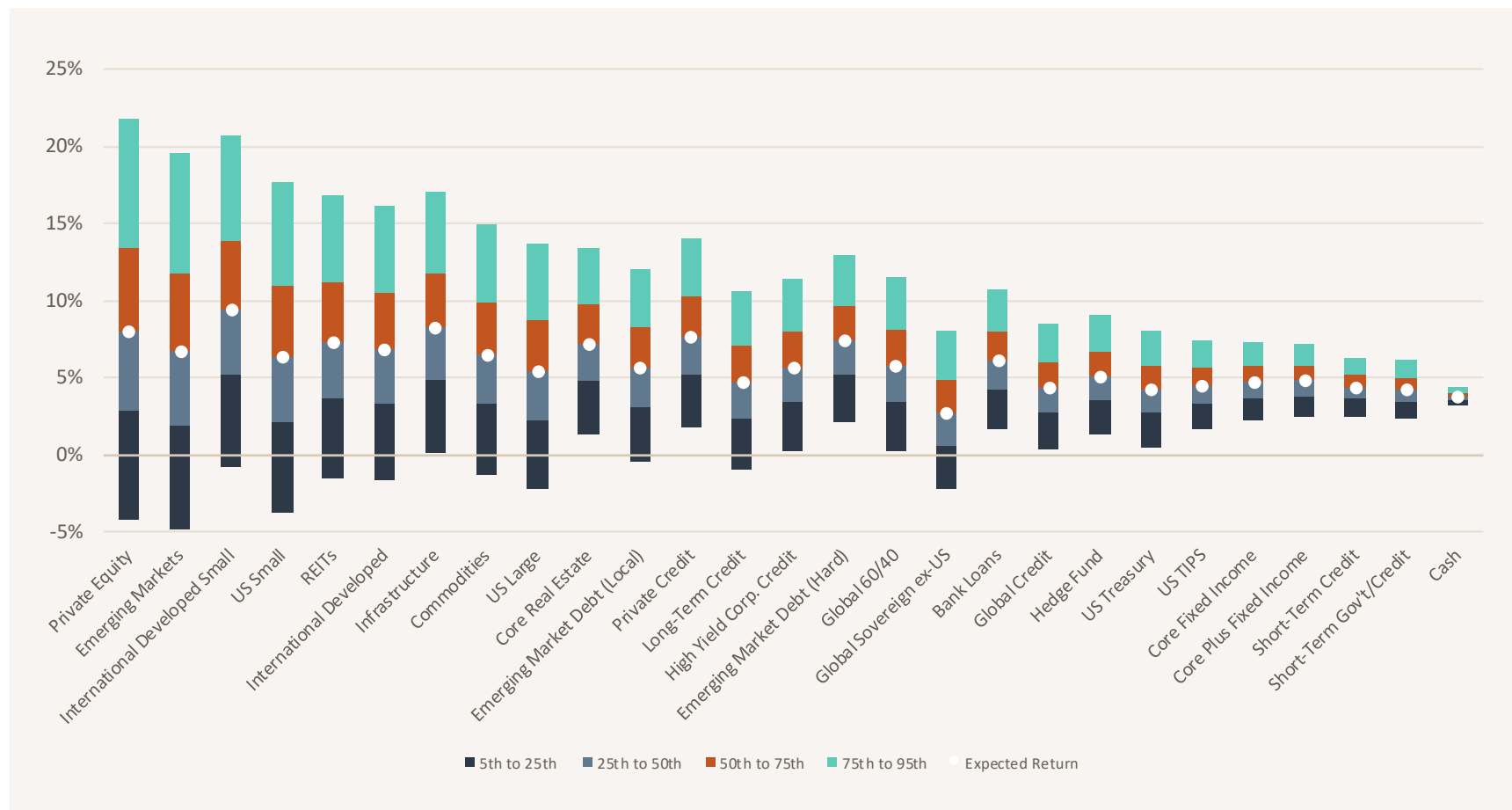
\*\*The Risk Parity forecast shown here assumes a 10% target volatility strategy. We recommend customizing this forecast to the target volatility specifications of the risk parity strategy that an investor wishes to model. Please speak with your Verus consultants for customization needs.

# Correlation Assumptions

|                         | Cash | US Large | US Small | Intl Large | Intl Small | EM   | Global Equity | PE   | US TIPS | US Treasury | Global Sovereign ex-US | US Core | Core Plus | Short-Term Gov't/Credit | Short-Term Credit | Long-Term Credit | US HY | Bank Loans | Global Credit | EMD USD | EMD Local | Commodities | Hedge Funds | Real Estate | REITs | Infrastructure | Currency Beta | Risk Parity |
|-------------------------|------|----------|----------|------------|------------|------|---------------|------|---------|-------------|------------------------|---------|-----------|-------------------------|-------------------|------------------|-------|------------|---------------|---------|-----------|-------------|-------------|-------------|-------|----------------|---------------|-------------|
| Cash                    | 1.0  |          |          |            |            |      |               |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| US Large                | 0.0  | 1.0      |          |            |            |      |               |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| US Small                | -0.1 | 0.9      | 1.0      |            |            |      |               |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Intl Large              | 0.0  | 0.8      | 0.8      | 1.0        |            |      |               |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Intl Small              | 0.0  | 0.8      | 0.8      | 1.0        | 1.0        |      |               |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| EM                      | 0.0  | 0.7      | 0.6      | 0.8        | 0.8        | 1.0  |               |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Global Equity           | 0.0  | 1.0      | 0.9      | 0.9        | 0.9        | 0.8  | 1.0           |      |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| PE                      | 0.0  | 0.7      | 0.6      | 0.5        | 0.5        | 0.5  | 0.7           | 1.0  |         |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| US TIPS                 | 0.0  | 0.5      | 0.4      | 0.5        | 0.5        | 0.4  | 0.5           | 0.1  | 1.0     |             |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| US Treasury             | 0.2  | 0.2      | 0.1      | 0.2        | 0.2        | 0.2  | 0.2           | -0.1 | 0.8     | 1.0         |                        |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Global Sovereign ex-US  | 0.1  | 0.4      | 0.3      | 0.5        | 0.6        | 0.6  | 0.5           | 0.1  | 0.7     | 0.7         | 1.0                    |         |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| US Core                 | 0.2  | 0.4      | 0.3      | 0.4        | 0.4        | 0.4  | 0.4           | 0.1  | 0.8     | 0.9         | 0.8                    | 1.0     |           |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Core Plus               | 0.1  | 0.5      | 0.4      | 0.5        | 0.5        | 0.5  | 0.5           | 0.1  | 0.9     | 0.9         | 0.8                    | 1.0     | 1.0       |                         |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Short-Term Gov't/Credit | 0.4  | 0.2      | 0.1      | 0.3        | 0.3        | 0.3  | 0.3           | 0.0  | 0.7     | 0.8         | 0.7                    | 0.9     | 0.8       | 1.0                     |                   |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Short-Term Credit       | 0.2  | 0.4      | 0.4      | 0.5        | 0.6        | 0.5  | 0.5           | 0.1  | 0.7     | 0.6         | 0.7                    | 0.8     | 0.9       | 0.9                     | 1.0               |                  |       |            |               |         |           |             |             |             |       |                |               |             |
| Long-Term Credit        | 0.0  | 0.6      | 0.5      | 0.6        | 0.6        | 0.6  | 0.6           | 0.2  | 0.8     | 0.7         | 0.8                    | 0.9     | 0.9       | 0.7                     | 0.8               | 1.0              |       |            |               |         |           |             |             |             |       |                |               |             |
| US HY                   | 0.0  | 0.8      | 0.8      | 0.8        | 0.8        | 0.7  | 0.8           | 0.4  | 0.6     | 0.2         | 0.5                    | 0.5     | 0.6       | 0.4                     | 0.7               | 0.7              | 1.0   |            |               |         |           |             |             |             |       |                |               |             |
| Bank Loans              | 0.0  | 0.6      | 0.7      | 0.6        | 0.7        | 0.6  | 0.6           | 0.3  | 0.3     | -0.1        | 0.2                    | 0.2     | 0.3       | 0.1                     | 0.5               | 0.4              | 0.8   | 1.0        |               |         |           |             |             |             |       |                |               |             |
| Global Credit           | 0.0  | 0.6      | 0.6      | 0.8        | 0.8        | 0.7  | 0.7           | 0.2  | 0.8     | 0.6         | 0.8                    | 0.8     | 0.9       | 0.7                     | 0.9               | 0.9              | 0.8   | 0.6        | 1.0           |         |           |             |             |             |       |                |               |             |
| EMD USD                 | 0.1  | 0.7      | 0.6      | 0.7        | 0.7        | 0.7  | 0.7           | 0.4  | 0.6     | 0.4         | 0.7                    | 0.7     | 0.7       | 0.5                     | 0.7               | 0.8              | 0.8   | 0.7        | 0.9           | 1.0     |           |             |             |             |       |                |               |             |
| EMD Local               | 0.1  | 0.5      | 0.4      | 0.7        | 0.7        | 0.8  | 0.7           | 0.4  | 0.5     | 0.3         | 0.7                    | 0.5     | 0.6       | 0.4                     | 0.6               | 0.7              | 0.7   | 0.5        | 0.8           | 0.8     | 1.0       |             |             |             |       |                |               |             |
| Commodities             | -0.1 | 0.4      | 0.4      | 0.4        | 0.4        | 0.5  | 0.4           | 0.3  | 0.2     | -0.2        | 0.1                    | 0.0     | 0.0       | -0.1                    | 0.1               | 0.1              | 0.5   | 0.5        | 0.3           | 0.3     | 0.4       | 1.0         |             |             |       |                |               |             |
| Hedge Funds             | -0.1 | 0.8      | 0.9      | 0.8        | 0.8        | 0.7  | 0.8           | 0.4  | 0.4     | 0.0         | 0.3                    | 0.3     | 0.4       | 0.1                     | 0.5               | 0.5              | 0.8   | 0.7        | 0.7           | 0.7     | 0.5       | 0.5         | 1.0         |             |       |                |               |             |
| Real Estate             | -0.4 | 0.3      | 0.4      | 0.3        | 0.3        | 0.3  | 0.3           | 0.3  | 0.3     | 0.0         | 0.1                    | 0.1     | 0.2       | 0.0                     | 0.2               | 0.2              | 0.3   | 0.1        | 0.3           | 0.3     | 0.1       | 0.2         | 0.4         | 1.0         |       |                |               |             |
| REITs                   | -0.1 | 0.8      | 0.8      | 0.7        | 0.7        | 0.6  | 0.8           | 0.5  | 0.6     | 0.3         | 0.5                    | 0.5     | 0.6       | 0.3                     | 0.5               | 0.7              | 0.7   | 0.6        | 0.7           | 0.7     | 0.5       | 0.4         | 0.7         | 0.3         | 1.0   |                |               |             |
| Infrastructure          | 0.0  | 0.8      | 0.7      | 0.8        | 0.8        | 0.7  | 0.8           | 0.5  | 0.5     | 0.2         | 0.5                    | 0.4     | 0.5       | 0.3                     | 0.6               | 0.6              | 0.8   | 0.7        | 0.7           | 0.8     | 0.7       | 0.5         | 0.7         | 0.2         | 0.8   | 1.0            |               |             |
| Currency Beta           | 0.0  | -0.1     | -0.2     | -0.2       | -0.3       | -0.2 | -0.2          | -0.1 | -0.1    | -0.1        | -0.2                   | -0.2    | -0.2      | -0.1                    | -0.2              | -0.2             | -0.2  | -0.2       | -0.3          | -0.2    | -0.2      | -0.1        | -0.1        | -0.2        | -0.1  | -0.2           | 1.0           |             |
| Risk Parity             | 0.0  | 0.8      | 0.7      | 0.8        | 0.8        | 0.7  | 0.8           | 0.5  | 0.7     | 0.5         | 0.6                    | 0.6     | 0.7       | 0.5                     | 0.7               | 0.7              | 0.8   | 0.6        | 0.8           | 0.8     | 0.6       | 0.5         | 0.7         | 0.3         | 0.8   | 0.8            | -0.1          | 1.0         |

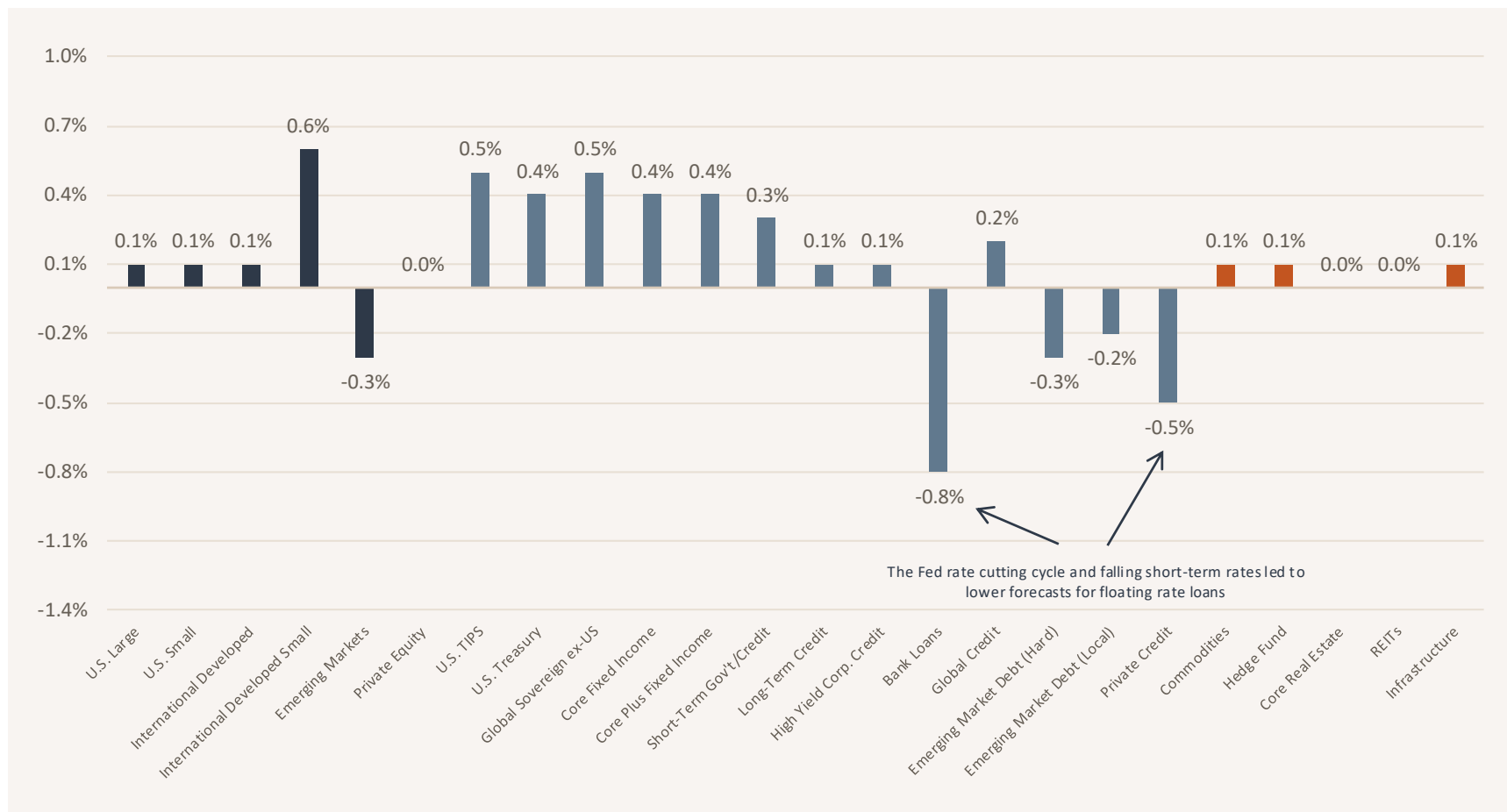
# Range of Likely 10-Year Outcomes

10-YEAR RETURN 90% CONFIDENCE INTERVAL



Source: Cerity Partners 2026 Capital Market Assumptions, MPI

# 2026 vs. 2025 Return Forecast



Source: Cerity Partners, 2026 Capital Market Assumptions relative to 2025 Capital Market Assumptions

# Market Summary & Forecast Impacts

- › Two key themes of the 2026 Versus Capital Market Assumptions include higher bond yields and higher inflation expectations, which contributed to improved fixed income forecasts and moderately higher real asset forecasts. Richer risk asset pricing had an opposite effect, particularly in domestic markets, dampening return expectations as risk premia were squeezed.
- › The 10-year U.S. Treasury rose from 3.79% to 4.15% as a surprisingly resilient domestic economy and stubborn inflation, as well as concerns over tariff-fueled price rises, kept the Federal Reserve in a more hawkish stance. Readers will notice that our Cash forecast fell slightly from 3.8% to 3.7%—a net effect of higher for longer interest rates but also expectations for a Fed rate cutting cycle.
- › Risk asset valuations moved broadly higher during the year across both Equity and Credit markets, which dampened future return expectations. U.S. Large Cap and Small Cap Equities are now in the 96th and 95th valuation percentile, respectively, while credit spreads have reached incredibly tight levels. These valuations follow a very strong year of market returns. However, increased inflation expectations lifted nominal return forecasts, resulting in slightly higher capital market assumptions, on net. Improved fixed income forecasts, and less movement in equity forecasts, resulted in a flattening of the risk curve (the return expectations for high-quality fixed income and other safer assets is more competitive with equity and riskier assets).
- › Despite the increase in inflation during recent years, and then a moderation of inflation back closer to the Federal Reserve's 2% target, the market's long-term inflation expectations have shown little movement. The Survey of Professional Forecasters was stable at a 2.3% future expected inflation rate during the year, while market-priced inflation expectations (U.S. TIPS Breakeven Rate) moved up from 2.2% to 2.4%. On the other hand, household inflation expectations moved notably higher from 3.0% to 3.7%, likely fueled by tariff concerns. Overall, our forecast for the rate of inflation over the next ten years moved up from 2.4% to 2.7%.

All data cited above is as of 9/30/25

# Inflation

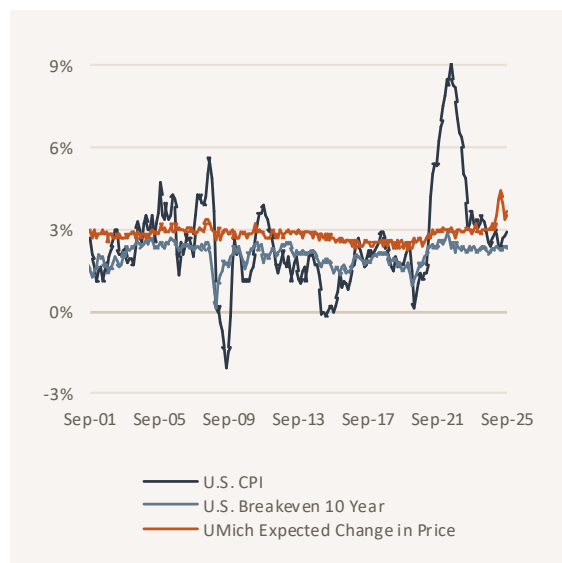
# Inflation

We use a weighted average of market expectations (50%), consumer expectations (25%), and professional forecasts (25%) to create a 10-year inflation forecast. The market's expectations for 10-year inflation can be inferred by taking the difference between the U.S. 10-year Treasury yield and the 10-year Treasury Inflation-Protected (TIPS) yield (referred to as the breakeven inflation rate).

Long-term inflation expectations increased throughout the year, led by materially higher household inflation expectations (University of Michigan) which increased from 3.0% to 3.7%. The Survey of Professional Forecasters suggested stable long-run inflation at 2.3%, while market-priced inflation expectations (U.S. TIPS Breakeven Rate) increased from 2.2% to 2.4%.

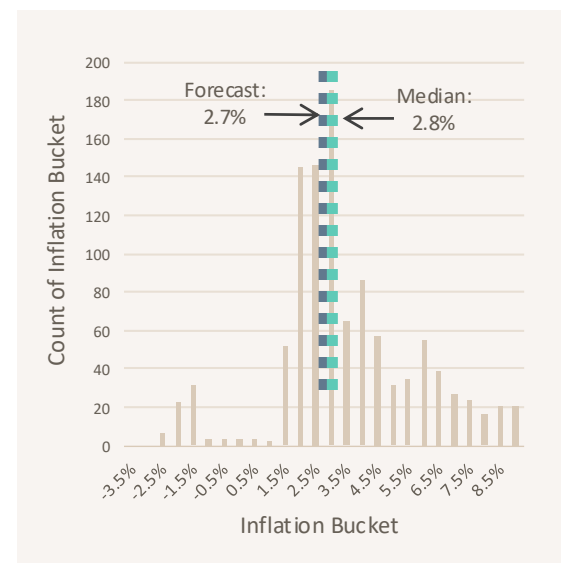
Overall, our inflation forecast increased from 2.4% to 2.7%.

## INFLATION EXPECTATIONS



Source: U. of Michigan, Philly Fed, as of 9/30/25

## U.S. 10-YR ROLLING AVERAGE INFLATION



Source: Bloomberg, as of 9/30/25 – since 1923

## FORECAST

| 10-YEAR FORECAST                                |             |
|-------------------------------------------------|-------------|
| University of Michigan Survey (25% weight)      | +3.7%       |
| Survey of Professional Forecasters (25% weight) | +2.3%       |
| US 10-Year TIPS Breakeven Rate (50% weight)     | +2.4%       |
| <b>Inflation Forecast</b>                       | <b>2.7%</b> |

Source: Cerity Partners, as of 9/30/25 – figures may not sum due to rounding

# Fixed Income

# Cash

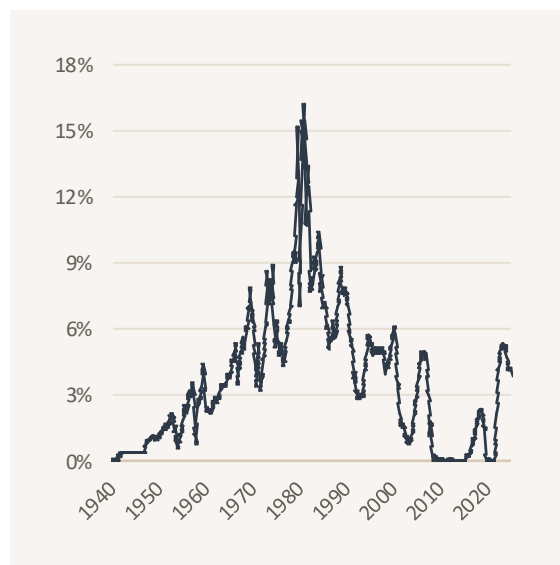
U.S. Treasury yields were rangebound throughout 2025, and investors faced a variety of risks including economic slowdown, the inflationary impact of tariffs, and when the Federal Reserve might continue its rate cutting cycle. The Federal Reserve cut rates in September to a target range of 4.00%-4.25%, signaling concerns about a softening job market and somewhat persistent but contained inflation. Fed Chair Powell described the move as a “risk management cut”.

The Federal funds rate moved from 5.00-5.25% to 4.00-4.25% over the past year. Recent yield movements suggest the U.S. yield curve may soon be headed towards a more normal upward sloping shape.

The current federal funds rate, as well as longer-term U.S. Treasury yields, which are an indication of future short-term rates, provide guidance regarding the future longer-term cash return. We use both variables as components to our cash forecast. As a third component, we assume that the rate of cash over the long-term will drift towards the Federal Reserve’s long-term terminal interest rate expectation. We place a one-third forecasting weight to each of the three components.

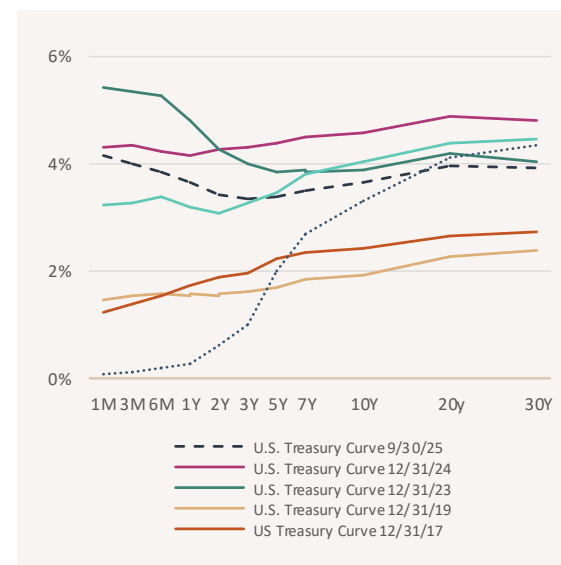
Applying these relationships results in a 10-year cash forecast of 3.7%.

CASH YIELD (3-MONTH T-BILL)



Source: FRED, as of 9/30/25

U.S. TREASURY YIELD CURVE



Source: Bloomberg, as of 9/30/25

## FORECAST

### 10-YEAR FORECAST

|                    |       |
|--------------------|-------|
| Cash               | 3.7%  |
| Inflation Forecast | -2.7% |
| Real Return        | 1.0%  |

Source: Cerity Partners, as of 9/30/25 – figures may not sum due to rounding

# Rates

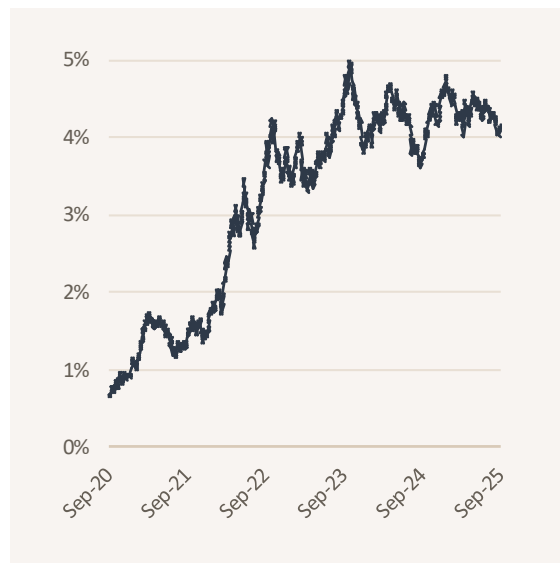
We forecast the return of 10-year and 30-year U.S.

Treasuries based on the current yield of 10-year and 30-year U.S. Treasuries, assuming all cash flows are reinvested at the current yield. While the current yield of 10-year Treasuries has historically been a strong predictor of next ten-year performance, it is important to note that 30-year Treasury return is very dependent on the future path of interest rates, given the very high bond duration of this exposure. In other words, a ten-year forecast of 30-year U.S. Treasuries is accompanied by more forecasting uncertainty.

In September, the Federal Reserve kicked off the first of likely a series of rate cuts. It is not yet clear how longer-term bond yields will respond to cuts to shorter-term rates, given ongoing economic strength, slowing job growth but a generally tight labor market, and inflation materially above the Fed target. Yield curve steepening is occurring and the curve appears to be returning to an upward sloping shape.

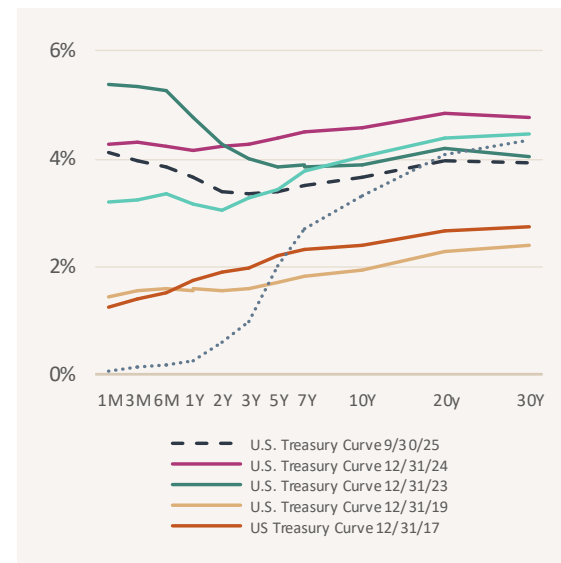
Our 10-year U.S. Treasury expectations are for a 4.2% return over the next ten years, in line with the current bond yield.

U.S. 10-YR TREASURY YIELD



Source: Bloomberg, as of 9/30/25

U.S. TREASURY YIELD CURVE



Source: Bloomberg, as of 9/30/25

## FORECAST

| 10-YEAR FORECAST      |       | 10-YEAR FORECAST      |       |
|-----------------------|-------|-----------------------|-------|
| U.S. 10-Year Treasury | +4.2% | U.S. 30-Year Treasury | +4.7% |
| Inflation Forecast    | -2.7% | Inflation Forecast    | -2.7% |
| Real Return           | +1.5% | Real Return           | +2.1% |

Source: Cerity Partners, as of 9/30/25 – figures may not sum due to rounding

# Real Rates

TIPS provide high sensitivity to duration (interest rate risk) over short periods and track inflation (CPI) fairly well over longer periods. Changing inflation expectations, demand for inflation protection, and rate movements contribute to the price movement of TIPS. Currently, investors expect inflation to move lower from today's levels, but also expect inflation to remain above the Federal Reserve's 2% target over the long-term.

Longer-term yields increased during 2025 as the U.S. economy showed more resilience than expected, and inflation fears eased. The 10-year treasury yield increased from 3.78% to 4.15%. Market-priced inflation expectations (U.S. TIPS Breakeven Rate) also increased from 2.2% to 2.4%.

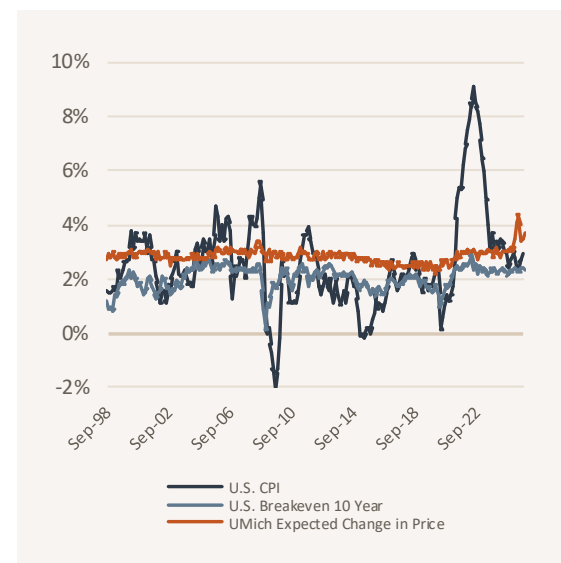
To arrive at a nominal 10-year forecast, we add the current real TIPS yield to our 10-year inflation forecast. Our real rates forecast has risen materially from 4.0% to 4.5%.

NOMINAL YIELD VS. REAL



Source: Bloomberg, as of 9/30/25

INFLATION EXPECTATIONS



Source: Bloomberg, as of 9/30/25

## FORECAST

| 10-YEAR FORECAST             |             | 10-YEAR FORECAST             |             |
|------------------------------|-------------|------------------------------|-------------|
| U.S. 10-Year TIPS Real Yield | +1.8%       | U.S. 10-Year TIPS Real Yield | +1.8%       |
| Inflation Forecast           | +2.7%       | Inflation Forecast           | +2.7%       |
| <b>Nominal Return</b>        | <b>4.5%</b> | <b>Nominal Return</b>        | <b>4.5%</b> |

Source: Cerity Partners, as of 9/30/25 – figures may not sum due to rounding

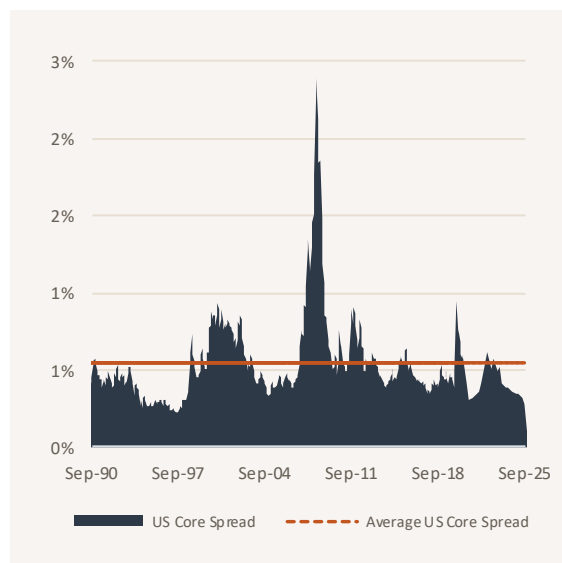
# Core Fixed

Credit fixed income return is composed of a bond term premium (duration) and credit spread. The bond term premium is represented by the 10-year U.S. Treasury yield.

We use default rates and credit spreads for each respective fixed income category to provide our 10-year return forecast. Our default rate assumption is derived from a variety of sources, including historical data and academic research. The effective default that is subtracted from the return forecast is based on our assumed default and recovery rates.

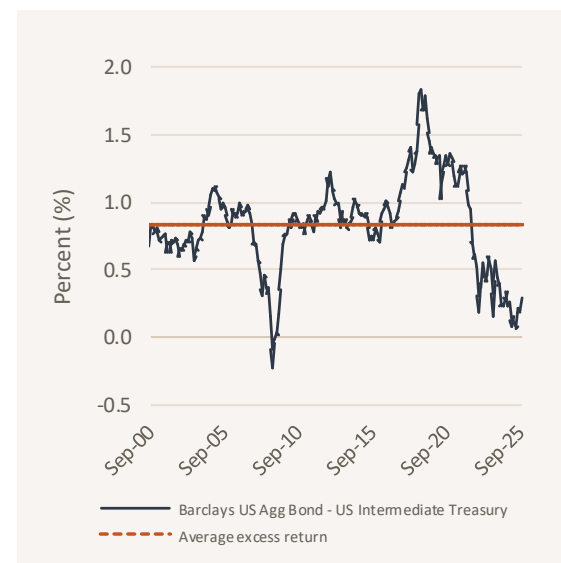
Core fixed income spreads were 0.7%, despite elevated volatility in bond markets. Interest rates rose during the year on a surprisingly resilient domestic economy, stubborn inflation, concerns over tariff-fueled price rises, and a more hawkish Federal Reserve. Rising bond yields led to an increase in our ten-year forecast from 4.3% to 4.7%.

HISTORICAL CORE FIXED INCOME SPREAD



Source: Bloomberg, as of 9/30/25

ROLLING EXCESS RETURN (10-YR)



Source: Bloomberg, as of 9/30/25

FORECAST

| 10-YEAR FORECAST                    |             |
|-------------------------------------|-------------|
| Bloomberg US Option-Adjusted Spread | +0.7%       |
| Effective Default                   | -0.1%       |
| U.S. 10-Year Treasury               | +4.2%       |
| <b>Nominal Return</b>               | <b>4.7%</b> |
| <i>Inflation Forecast</i>           | -2.7%       |
| <i>Real Return</i>                  | 2.0%        |

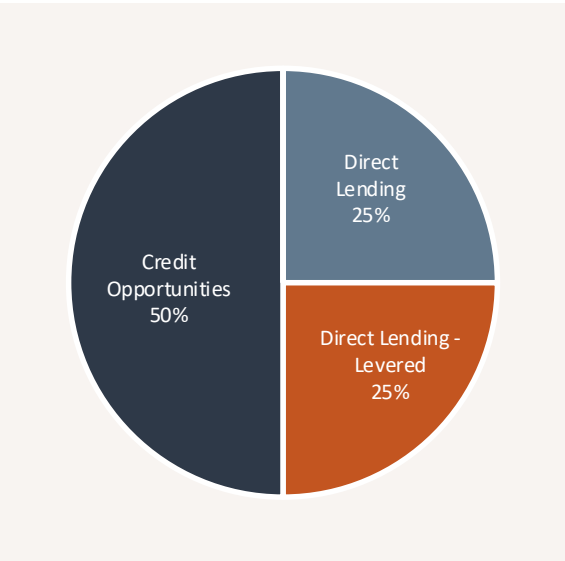
Source: Cerity Partners, as of 9/30/25 – figures may not sum due to rounding

# Private Credit

The spectrum of private credit is broad and the types of investments in this asset class can differ considerably in terms of return expectations and risks involved. To reflect the disparate characteristics of this asset class, our private credit forecast assumes a diversified portfolio comprised of 25% direct lending, 25% direct lending with fund-level leverage, and 50% credit opportunities strategies. Our resulting private credit forecast is a result of our combined expectations for each of these exposure types.

We follow a building block approach to form return expectations. Direct lending expected return is a product of interest rates, a floating rate, loss-adjusted credit spread above SOFR, plus original issuance discounts, minus management fees and carried interest. Direct lending with fund-level leverage includes these same building blocks but is adjusted for the added spread from leverage and the costs of that leverage. The expected return of credit opportunities strategies is a result of interest rates (U.S. Treasury yield), credit spread, original issuance discounts, minus management fees and carried interest, with an adjustment for added spread from leverage and the costs of that leverage. Further details of this methodology is provided on the next page.

PRIVATE CREDIT WEIGHTS



Source: Cerity Partners

FORECAST

|                                         | 10-YEAR FORECAST |
|-----------------------------------------|------------------|
| Credit Opportunities (50% weight)       | 8.4%             |
| Direct Lending – Unlevered (25% weight) | 6.3%             |
| Direct Lending – Levered (25% weight)   | 7.4%             |
| Private Credit Weighted Return Forecast | 7.7%             |
| Inflation Forecast                      | -2.7%            |
| Real Return                             | 5.0%             |

Source: Cerity-Partners, as of 9/30/25 – assuming universe weights as indicated by left-hand chart

# Private Credit

Below we illustrate the specific building blocks of our private credit forecasts. The build up method is used to calculate a gross investment level return, which is adjusted to account for fund level leverage, management fees, and carried interest.

|                              | DIRECT LENDING -<br>UNLEVERED | DIRECT LENDING -<br>LEVERED |                              | CREDIT<br>OPPORTUNITIES |                             | JUNIOR CAPITAL /<br>MEZZANINE | DISTRESSED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
|------------------------------|-------------------------------|-----------------------------|------------------------------|-------------------------|-----------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Base Interest Rate           | 3.8%                          | 3.8%                        | Base Interest Rate           | 3.8% - 4.2%             | Fixed Rate Coupon           | 6.0%                          | Return expectations for distressed have been developed on a range bound basis given the diversity of strategies included in the asset class:<br><br>Distressed strategies are highly opportunistic by nature and returns are primarily, if not entirely, driven by capital appreciation limiting the ability to use a build up method.<br><br>Distressed strategies typically target 10%+ net returns, but market conditions often weigh heavily into the overall performance.<br><br>Periods of market volatility, dislocation, and economic downturns generally provide a more attractive investment environment for distressed strategies where outperformance may be expected.<br><br>Historically, median fund level net returns have ranged between 8-10% although top to bottom quartile dispersion is has been wide historically. |      |
| Spread                       | 4.0%                          | 4.0%                        | Spread                       | 4.0% - 7.5%             | Paid-In-Kind Coupon         | 4.5%                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| Original Issuance Discount** | 1.0%                          | 1.0%                        | Original Issuance Discount** | 1.0% - 2.5%             | Annualized Equity Upside    | 0.8%                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| <i>Gross Return</i>          | <i>8.1%</i>                   | <i>8.1%</i>                 | <i>Gross Return</i>          | <i>8.1% - 12.5%</i>     | <i>Gross Return</i>         | <i>11.3%</i>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| Leverage Cost                | NA                            | 5.8%                        | Leverage Cost                | 5.8%                    | Leverage Cost               | NA                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| Leverage Level               | 0.0x                          | 0.8x                        | Leverage Level               | 0.3x – 0.5x             | Leverage Level              | 0.0x                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| <i>Levered Gross Return</i>  | <i>8.1%</i>                   | <i>9.9%</i>                 | <i>Levered Gross Return</i>  | <i>9.3% - 14.6%</i>     | <i>Levered Gross Return</i> | <i>11.3%</i>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| Effective Management Fees    | 0.9%                          | 1.5%                        | Effective Management Fees    | 1.5% - 2.0%             | Effective Management Fees   | 1.5%                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| Carried Interest             | 0.9%                          | 1.1%                        | Carried Interest             | 1.2% - 2.5%             | Carried Interest            | 2.0%                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| Total Net Return             | 6.3%                          | 7.4%                        | Total Net Return             | 8.4%                    | Total Net Return            | 7.8%                          | Total Net Return                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 8.6% |

\*Return expectations for credit opportunities have been developed on a range-bound basis given the diversity of strategies included in the asset class. Values represent the mid-point estimate of those ranges. For Credit Opportunities, our return assumption is the midpoint of the total net return range of 6.6% - 10.1%.

\*\*Original Issuance Discount occurs at the issuance of new loans, and is therefore assumed to amortize over the expected three-year life of the loan

Source: Cerity Partners

# Credit Summary

|                            | CORE                       | LONG-TERM CREDIT         | GLOBAL CREDIT*                  | HIGH YIELD*                | BANK LOANS*      | EM DEBT (USD)              | EM DEBT (LOCAL) | PRIVATE CREDIT                                                                                     | REAL ESTATE DEBT |
|----------------------------|----------------------------|--------------------------|---------------------------------|----------------------------|------------------|----------------------------|-----------------|----------------------------------------------------------------------------------------------------|------------------|
| <b>Index</b>               | Bloomberg US Aggregate     | Bloomberg US Long Credit | Bloomberg Global Credit         | Bloomberg US High Yield    | Morningstar LSTA | JPM EMBI                   | JPM GBI-EM      | N/A                                                                                                | N/A              |
| <b>Method</b>              | OAS + U.S. 10-Year         | OAS + U.S. 10-Year       | OAS + Global 10-Year Treasuries | OAS + U.S. 10-Year         | SOFR + Spread    | OAS + U.S. 10-Year         | Current Yield   | Build up method using Direct Lending (unlevered), Direct Lending (levered), Opportunistic Credit** | SOFR + Spread*** |
| <b>Spread to</b>           | Intermediate U.S. Treasury | Long-Term U.S. Treasury  | Global Long-Term Treasuries     | Intermediate U.S. Treasury | SOFR             | Intermediate U.S. Treasury | -               | -                                                                                                  | SOFR             |
| <b>Default Assumption</b>  | -0.5%                      | -4.5%                    | -                               | -                          | -                | -0.5%                      | -0.5%           | -                                                                                                  | -3.7%            |
| <b>Recovery Assumption</b> | 80%                        | 95%                      | -                               | -                          | -                | 60%                        | 40%             | -                                                                                                  | 47%              |
| <b>Spread</b>              | 0.7%                       | 0.8%                     | 0.7%                            | 3.0%                       | 4.3%             | 3.4%                       | -               | -                                                                                                  | 4.0%             |
| <b>Yield</b>               | -                          | -                        | -                               | -                          | -                | -                          | 5.9%            | -                                                                                                  | -                |
| <b>Risk Free Yield</b>     | 4.2%                       | 4.2%                     | 4.2%                            | 4.2%                       | 4.0%             | 4.2%                       | -               | -                                                                                                  | 4.3%             |
| <b>Effective Default</b>   | -0.1%                      | -0.2%                    | -0.4%                           | -1.5%                      | -2.2%            | -0.2%                      | -0.3%           | -                                                                                                  | -2.0%            |
| <b>Nominal Return</b>      | 4.7%                       | 4.8%                     | 4.3%                            | 5.7%                       | 6.1%             | 7.4%                       | 5.6%            | 7.7%                                                                                               | 6.3%             |
| <i>Inflation Forecast</i>  | 2.7%                       | 2.7%                     | 2.7%                            | 2.7%                       | 2.7%             | 2.7%                       | 2.7%            | 2.7%                                                                                               | 2.7%             |
| <i>Real Return</i>         | 2.0%                       | 2.1%                     | 1.6%                            | 3.0%                       | 3.4%             | 4.7%                       | 2.9%            | 5.0%                                                                                               | 3.6%             |

\*We assume half of the spread of higher risk credit will be lost to defaults, as this has roughly been the case throughout history.

\*\*We assume 25% Direct Lending (Unlevered), 25% Direct Lending (Levered), 50% Credit Opportunities – please refer to the previous page for more information.

\*\*\*Spread is determined based on a survey of real estate debt managers

# Equities

# Equities

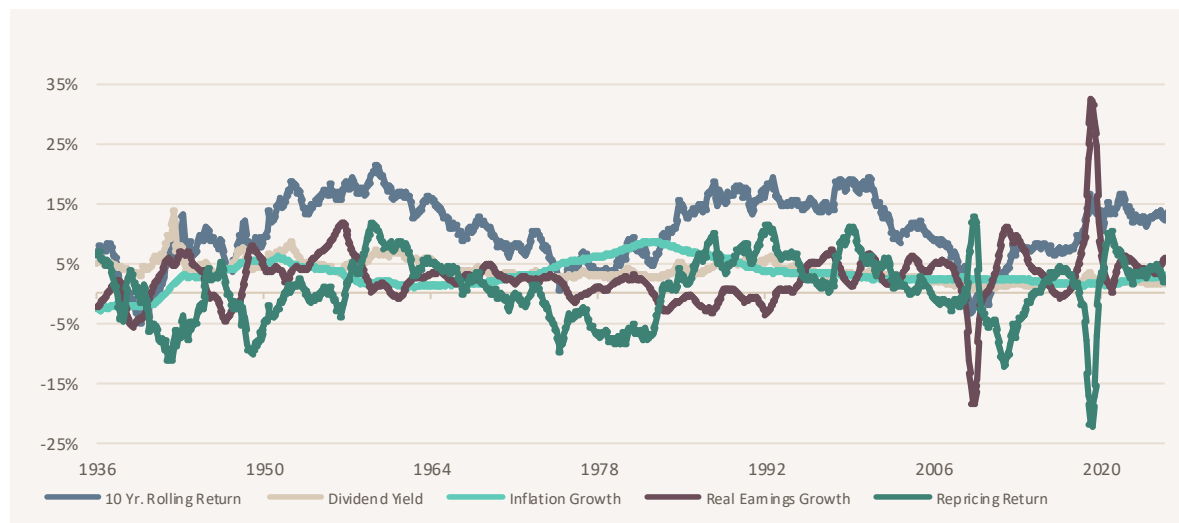
Investment returns in the equity space can be broken down into earnings growth, dividend yield, inflation, and repricing. Over the very long-term, repricing represents a small portion of return to equity investors, but over shorter time frames, the impacts on return can vary considerably.

If investors are willing to pay more for earnings, it could signal that investors are more confident in positive earnings growth going forward, while the opposite is true if investors pay less for earnings. However, unusually high or low multiples can also be the result of excessive investor exuberance or pessimism—more of an emotional effect than a forecasted earnings effect.

Investor confidence in earnings growth can be measured using both the Shiller P/E ratio and the trailing 12-month P/E ratio. We take an average of these two valuations metrics when determining our repricing assumption. In short, if the P/E ratio is too high (low) relative to history, we expect future returns to be lower (higher) than the long-term average. Implicit in this analysis is the assumption that P/E multiples will exhibit mild mean reversion over 10 years.

We make a conservative repricing estimate given how widely repricing can vary over time. We then skew the repricing adjustment because the percentage change in index price is larger with each incremental rise in valuations when P/E multiples are low, compared to when they are high.

TRAILING 10-YR S&P 500 RETURN COMPOSITION



Source: Shiller, Standard & Poor's, as of 9/30/25

P/E REPRICING ASSUMPTION

| AVG. P/E PERCENTILE BUCKET | LOWER P/E | UPPER P/E | REPRICING ASSUMPTION |
|----------------------------|-----------|-----------|----------------------|
| Lower 10%                  | -         | 10        | 2.00%                |
| 10% - 20%                  | 10        | 13        | 1.50%                |
| 20% - 30%                  | 13        | 15        | 0.75%                |
| 30% - 45%                  | 15        | 18        | 0.50%                |
| 45% - 55%                  | 18        | 19        | 0.0%                 |
| 55% - 70%                  | 19        | 21        | -0.25%               |
| 70% - 80%                  | 21        | 22        | -0.50%               |
| 80% - 90%                  | 22        | 24        | -0.75%               |
| Top 10%                    | 24        | -         | -1.00%               |

Source: Cerity Partners

U.S. LARGE SHILLER P/E



Source: Shiller, S&P 500, as of 9/30/25

# Global Equity

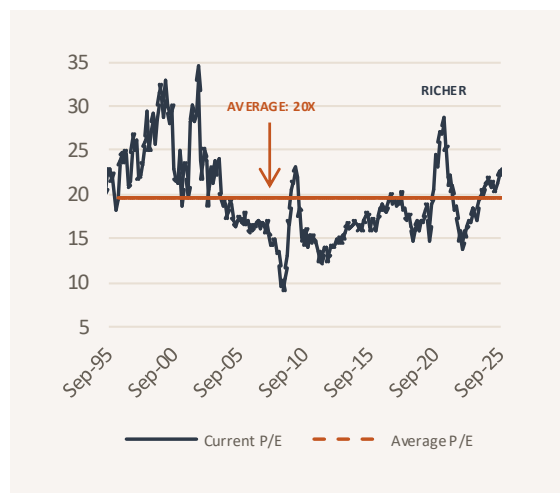
Global Equity is a combination of U.S. large, international developed, and emerging market equities. We can therefore combine our existing return forecasts for each of these asset classes to arrive at our global equity return forecast.

We use the MSCI ACWI Index as our benchmark for global equity and apply the country weights of this index to determine the weightings for our global equity return calculation. As with other equity asset classes, we use the historical standard deviation of the benchmark (MSCI ACWI Index) for our volatility forecast.

The valuation of global equities are driven by the richness/cheapness of the underlying markets, as indicated by the current price-to-earnings ratio.

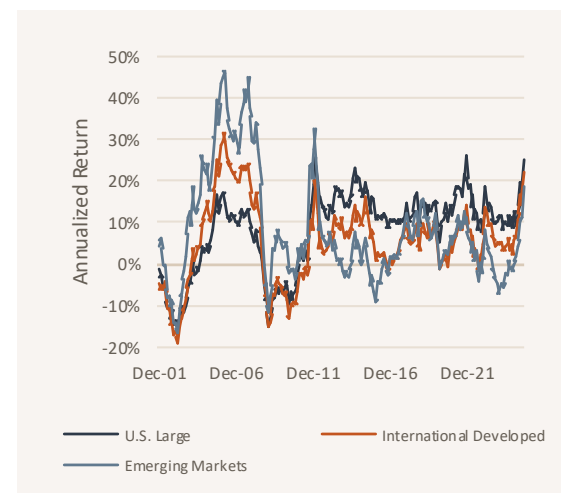
Our return building blocks produce a local return forecast for international equities. For investors who wish to incorporate market implied currency movements into the return forecast, please see the adjustments and explanation in the Appendix.

GLOBAL EQUITY P/E RATIO HISTORY



Source: MSCI, Cerity Partners, as of 9/30/25

MARKET PERFORMANCE (3-YR ROLLING)



Source: MSCI, Standard & Poor's, Cerity Partners, as of 9/30/25

## FORECAST

| MARKET                        | 10-YEAR FORECAST | CMA RETURN  |
|-------------------------------|------------------|-------------|
| U.S. Large                    | 6.7%             | 5.4%        |
| Developed Large               | 2.2%             | 6.8%        |
| Emerging Markets              | 1.1%             | 6.7%        |
| <b>Global Equity Forecast</b> |                  | <b>6.0%</b> |

Source: Cerity Partners, weights rescaled to equal 100%, as of 9/30/25.  
Figures may not sum due to rounding.

# Equity Summary

|                                                                                    | U.S. LARGE                                                                                                                           | U.S. SMALL   | EAFE            | EAFE SMALL         | EM      |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|--------------------|---------|
| Index                                                                              | S&P 500                                                                                                                              | Russell 2000 | MSCI EAFE Large | MSCI EAFE Small    | MSCI EM |
| Method                                                                             | <i>Building Block Approach: current dividend yield + historical average real earnings growth + inflation on earnings + repricing</i> |              |                 |                    |         |
| Current Shiller P/E Ratio                                                          | 38.9                                                                                                                                 | 51.3         | 19.5            | -                  | 15.6    |
| Regular P/E Ratio                                                                  | 27.8                                                                                                                                 | 61.4         | 16.8            | 13.2               | 16.3    |
| 2025 Shiller P/E Change                                                            | +8.4%                                                                                                                                | +8.5%        | +7.7%           | -                  | +13.9%  |
| 2025 Regular P/E Change                                                            | +5.7%                                                                                                                                | +44.1%       | -1.1%           | -9.0%              | +0.0%   |
| Current Shiller P/E Percentile Rank                                                | 97%                                                                                                                                  | 95%          | 46%             | -                  | 71%     |
| Current Regular P/E Percentile Rank                                                | 96%                                                                                                                                  | 96%          | 51%             | 4%*                | 78%     |
| Average of P/E Methods' Percentile Rank<br>(lower percentile = cheaper valuations) | 96%                                                                                                                                  | 95%          | 49%             | 4%*                | 74%     |
| 2025 YTD Return                                                                    | +14.8%                                                                                                                               | +10.4%       | +25.1%          | +28.4%             | +27.5%  |
| Shiller PE History                                                                 | 1982                                                                                                                                 | 1988         | 1982            | Not Enough History | 2005    |
| Long-Term Average Shiller P/E                                                      | 24.3                                                                                                                                 | 33.7         | 21.8            | -                  | 15.5    |
| Current Dividend Yield                                                             | 1.2%                                                                                                                                 | 2.1%         | 3.0%            | 3.7%               | 2.5%    |
| Long-Term Average Real Earnings Growth                                             | 2.5%                                                                                                                                 | 2.5%**       | 1.7%            | 1.7%**             | 2.1%    |
| Inflation on Earnings (Local Market Inflation)                                     | 2.7%                                                                                                                                 | 2.7%         | 2.0%            | 2.0%               | 2.7%    |
| Repricing Effect (Estimate)                                                        | -1.0%                                                                                                                                | -1.0%        | 0.0%            | 2.0%               | -0.5%   |
| Nominal Return                                                                     | 5.4%                                                                                                                                 | 6.4%         | 6.8%            | 9.4%               | 6.7%    |
| U.S. inflation Forecast                                                            | 2.7%                                                                                                                                 | 2.7%         | 2.7%            | 2.7%               | 2.7%    |
| Real Return                                                                        | 2.8%                                                                                                                                 | 3.7%         | 4.1%            | 6.7%               | 4.1%    |

Data as of 9/30/25 – figures may not sum due to rounding

\*Average trailing P/E from previous 12 months (25% weight) and current P/E (75% weight) are blended into one P/E metric, which is then percentile ranked relative to long-term history. This is done to reduce reliance on a single price multiple, as insufficient data history is available to calculate Shiller P/E for this asset class.

\*\*Due to data limitations, we assume small cap earnings growth will equal the earnings growth of large cap in each respective market

NOTES: For all equities, we exclude data prior to 1972, which allows for a more appropriate comparison between data sets. Investors with a U.S. All Cap Equity exposure can model all cap as 93% U.S. Large Cap Equity and 7% U.S. Small Cap Equity. Investors with International Developed All Cap Equity exposure can model all cap as 85% MSCI EAFE and 15% MSCI EAFE Small Cap. Investors with MSCI ACWIIMI exposure can approximate this exposure as 59.5% US Large, 5.8% US Small, 19.7% Intl Dev. Large, 3.3% Intl Dev. Small, and 11.7% EM Equity.

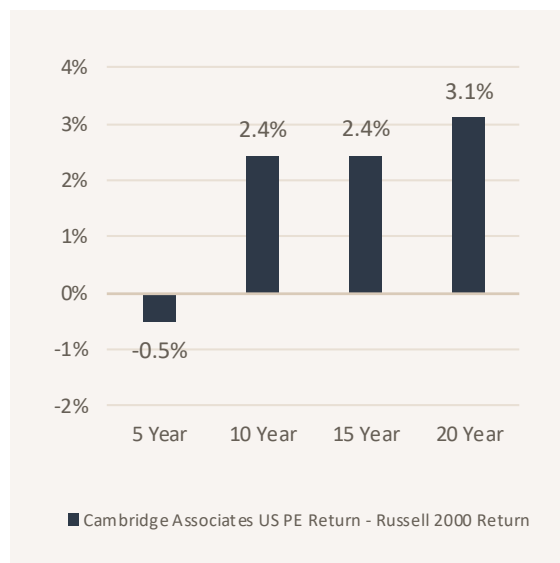
# Private Equity

Private equity and public equity returns have been correlated historically because the underlying economic forces driving these asset class returns are quite similar. The return relationship between the two can vary in the short-term, but over the long-term investors have received a premium, driven by leverage, concentrated factor exposure (smaller and undervalued companies), skill, and possibly illiquidity. Historically, the beta of private equity relative to public equity has been high. We use a beta assumption of 1.85 to U.S. large cap equities in our forecast.

Our private equity return forecast continues to be more muted than in past years, as broadly elevated equity valuations and higher costs of borrowing is expected to compress return premia. However, our forecast and the premium of return over public equities happens to be in line with the long-term historical average achieved premium of the asset class.

Private equity performance typically differs based on the implementation approach. We provide a 10-year forecast for the entire private equity universe of 8.0%. Direct private equity programs have historically outperformed the broader universe by approximately 1.0%, so we add 1.0% to our direct private equity forecast to reflect this historical outperformance. Private equity fund-of-fund (FoF) programs have historically lagged the universe by 1.0%, so we subtract 1.0% from our forecast accordingly to arrive at this forecast.

**PRIVATE EQUITY EXCESS RETURN  
(DIRECT PE – ALL CAP EQUITY)**



Source: CA, FTSE, as of 3/31/25

**PRIVATE EQUITY IMPLEMENTATION FORECASTS \***

| 10-YEAR FORECAST                 |      |
|----------------------------------|------|
| Private Equity Universe Forecast | 8.0% |
| Private Equity FoF Forecast*     | 7.0% |
| Private Equity Direct Forecast*  | 9.0% |

**PRIVATE EQUITY UNIVERSE FORECAST**

| 10-YEAR FORECAST          |             |
|---------------------------|-------------|
| U.S. Large Cap Forecast   | +5.4%       |
| 1.85 Beta Adjustment      | +2.6%       |
| <b>Nominal Return</b>     | <b>8.0%</b> |
| <i>Inflation Forecast</i> | -2.7%       |
| <i>Real Return</i>        | 5.3%        |

Source: Cerity Partners, as of 9/30/25. Figures may not sum due to rounding

Private Equity is modeled assuming an 8.0% return floor, and a 3% return premium ceiling over U.S. Large Cap. This is in place to recognize that higher cost of leverage acts as a drag on returns but that this drag has had limits historically, and to recognize that future performance is likely to be more anchored to public equity performance than in past times, given a more competitive market environment

# Real Assets/Alternatives

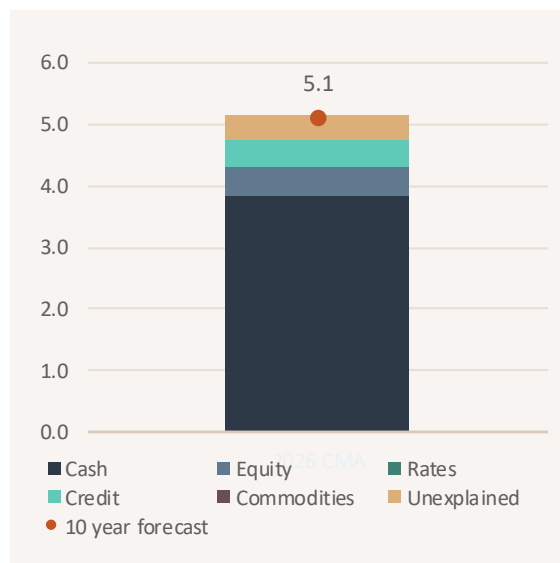
# Hedge Funds

The performance of a broadly diversified hedge fund portfolio can be fairly well described through time by a combination of 1) public market betas (ex: equity, rates, credit, etc.) embedded in these strategies, and 2) non-public sources of return (ex: alternative betas, skill/alpha, luck). Some hedge fund strategy returns are dominated by public market beta exposure while others are more differentiated, representative of difficult-to-replicate trading styles and investor skill. To forecast the 'universe' of hedge funds (a broadly diversified hedge fund portfolio of varying strategy types representing the aggregate universe of available funds), we first calculate the 'explainable' portion of returns by measuring the historical sensitivity of hedge funds to equity, rates, credit, and commodities. We then apply these market betas to our

current 10-year public market forecasts for those asset classes. Finally, we assume the historical portion of returns that are derived from non-public market sources will be consistent going forward and add that to the public market contributions.

We acknowledge that hedge funds are not an asset class, and that alpha should be a prominent part of an investor's return from them. We recommend proper risk alignment when investing in hedge funds, using existing public market buckets for any funds with predominantly public market risk factors, such as equity or credit. Our forecasts for hedge fund styles are provided on the next slide, which we recommend for investors who share this functional approach to hedge fund investing.

HEDGE FUND UNIVERSE FORECAST



Source: Cerity Partners, as of 9/30/25

HEDGE FUND PUBLIC MARKET SOURCES OF RETURN (EXPLAINED RETURN)

|             |
|-------------|
| Equity      |
| Rates       |
| Credit      |
| Commodities |

HEDGE FUND NON-PUBLIC SOURCES OF RETURN (UNEXPLAINED RETURN)

|                   |
|-------------------|
| Alternative betas |
| Skill             |
| Luck              |

Source: Ilmanen, Antii. Expected Returns

FORECAST

| 10-YEAR FORECAST   |       |
|--------------------|-------|
| Nominal Return     | +5.1% |
| Inflation Forecast | -2.7% |
| Real Return        | 2.4%  |

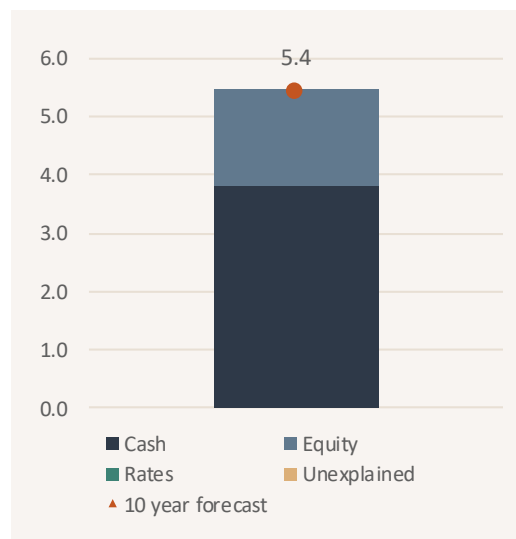
Source: Cerity Partners, as of 9/30/25. Figures may not sum due to rounding.

# Hedge Fund Styles

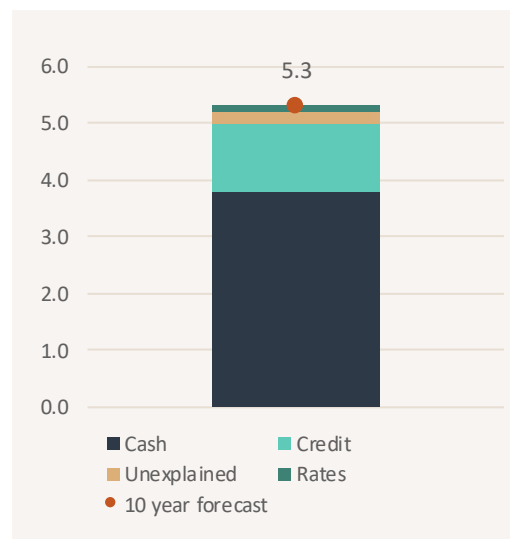
As mentioned, we do not believe hedge funds should be thought of as an asset class, and in most situations, we recommend benchmarking and modeling individual hedge funds in line with the underlying asset class exposure set. Consistent with this view, we forecast three broad hedge fund categories — equity hedge funds, credit hedge funds, and asymmetric hedge funds. To forecast hedge fund returns, we identified the portion of historical hedge fund performance that can be attributed to public market betas, and the portion of hedge fund returns that cannot be attributed to public market betas. This means our forecast involves two components: the public market return (explained return) and the non-public market return (unexplained return).

In practice, we believe hedge funds that have both identifiable core capabilities and persistent high correlations to equities fit in equity sleeves. We take a similar approach with credit hedge funds and fixed income sleeves. Funds designed to have little persistent relationship with public market exposures while exhibiting a high degree of tactical or opportunistic trading behaviors fall into a third category, which we call asymmetric hedge funds. Our forecast for hedge funds that we show here matches the use cases outlined above as opposed to a broad universe approach.

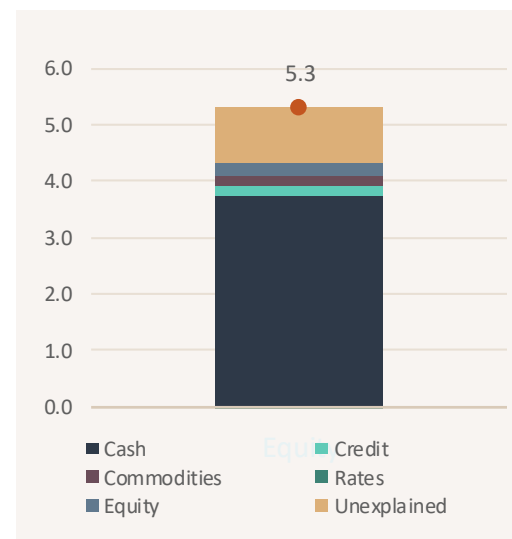
HEDGE FUND: EQUITY



HEDGE FUND: CREDIT



HEDGE FUND: AYSMMETRIC



Source: Cerity Partners, as of 9/30/25

# Private Core Real Estate/REITS

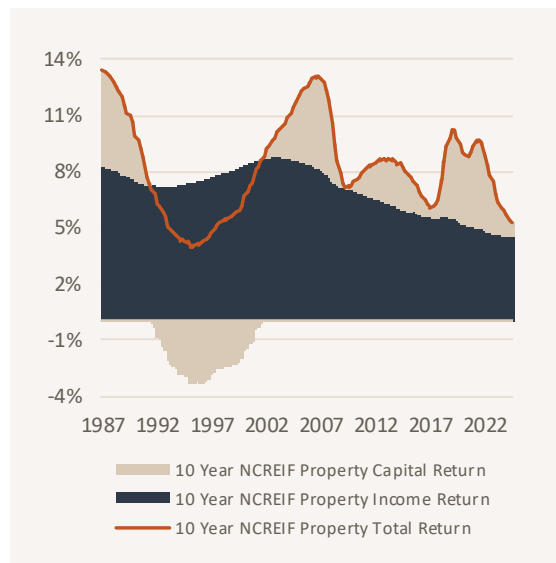
Performance of the NCREIF property index can be decomposed into an income return (cap rate) and capital return. The return coming from income has historically been more stable than the return derived from capital changes.

The cap rate is the ratio of earnings less expenses to price and does not include extraordinary expenses. A more accurate measure of the yield investors receive should include non-recurring capital expenditures; we assume a 2.0% capex expenditure. We also assume income growth will roughly equal the rate of broad economic growth, and we use GDP forecasts as an estimate of future income growth.

Private real estate and REITs have provided very similar returns over the long-term. Investors should be careful when comparing risk-adjusted returns of publicly traded assets to returns of appraisal priced assets due to data problems and smoothing effects. While private real estate appears to be less volatile than REITs, the true risks to investors are likely very similar.

We assume the effects of leverage and liquidity offset each other. Therefore, our return forecast is the same for private real estate and REITs.

TRAILING 10-YR NCREIF RETURN COMPOSITION



Source: NCREIF, as of 6/30/25

PRIVATE REAL ESTATE

10-YEAR FORECAST

|                           |             |
|---------------------------|-------------|
| Current Cap Rate          | +4.7%       |
| Real Income Growth        | +1.8%       |
| Capex Assumption          | -2.0%       |
| Inflation                 | +2.7%       |
| <b>Nominal Return</b>     | <b>7.2%</b> |
| <i>Inflation Forecast</i> | -2.7%       |
| <i>Real Return</i>        | 4.5%        |

REITS

10-YEAR FORECAST

|                                |             |
|--------------------------------|-------------|
| <b>Nominal Return Forecast</b> | <b>7.2%</b> |
| <i>Inflation Forecast</i>      | -2.7%       |
| <i>Real Return</i>             | 4.5%        |

Source: Cerity Partners, as of 9/30/25. Figures may not sum due to rounding

Private Equity is modeled assuming an 8.0% return floor, and a 3% return premium ceiling over U.S. Large Cap. This is in place to recognize that higher cost of leverage acts as a drag on returns but that this drag has had limits historically, and to recognize that future performance is likely to be more anchored to public equity performance than in past times, given a more competitive market environment

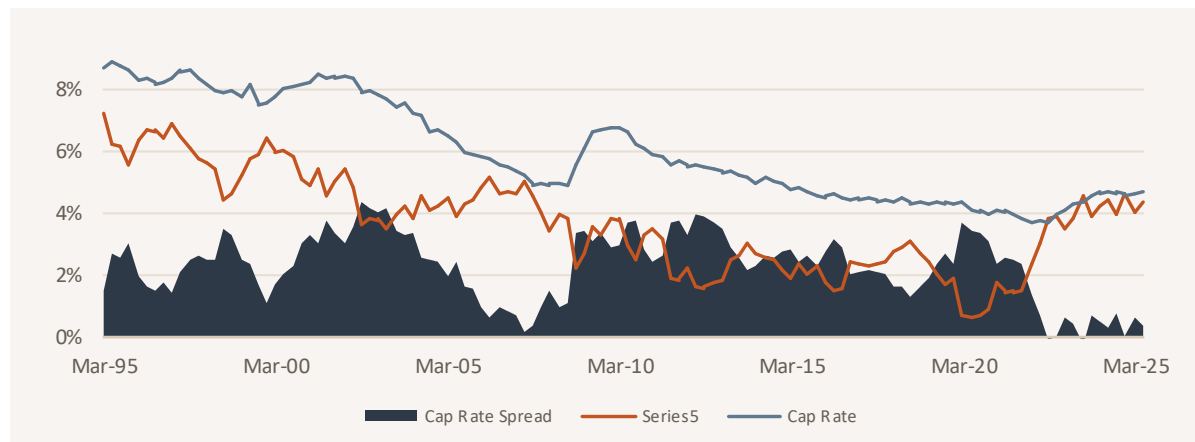
# Value-add & Opportunistic Real Estate

Value-add real estate includes properties which are in need of renovation, repositioning, and/or lease-up. Properties may also be classified as value-add due to their lower quality and/or location. Opportunistic real estate can include development and distressed or very complex transactions. A greater amount of leverage is usually employed within these strategies. Leverage increases beta (risk) by expanding the purchasing power of property managers via a greater debt load, which magnifies gains or losses. Increased debt also results in greater interest rate sensitivity. An increase/decrease in interest rates may result in a write-up/write-down of fixed rate debt, since debt holdings are typically marked-to-market.

Performance of value-add real estate is composed of the underlying private real estate market returns, plus a premium for additional associated risk, which is modeled here as 200 bps above our core real estate return forecast. Performance of opportunistic real estate strategies rests further out on the risk spectrum, and is modeled as 300 bps above the core real estate return forecast.

Additional expected returns above core real estate are justified by the higher inherent risk of properties which need improvement (operational or physical), price discounts built into properties located in non-core markets, illiquidity, and the ability of real estate managers to potentially source attractive deals in this less-than-efficient marketplace.

CAP RATE SPREADS



Source: NCREIF, Bloomberg, as of 6/30/25

FORECAST

|                           | VALUE-ADD 10-YEAR FORECAST | OPPORTUNISTIC 10-YEAR FORECAST |
|---------------------------|----------------------------|--------------------------------|
| Premium above core        | +2.0%                      | +3.0%                          |
| Current Cap Rate          | +4.7%                      | +4.7%                          |
| Real Income Growth        | +1.8%                      | +1.8%                          |
| Capex Assumption          | -2.0%                      | -2.0%                          |
| Inflation                 | +2.7%                      | +2.7%                          |
| <b>Nominal Return</b>     | <b>9.2%</b>                | <b>10.2%</b>                   |
| <i>Inflation Forecast</i> | -2.7%                      | -2.7%                          |
| <i>Real Return</i>        | 6.5%                       | 7.5%                           |

Source: Cerity Partners, as of 9/30/25. Figures may not sum due to rounding.

# Infrastructure

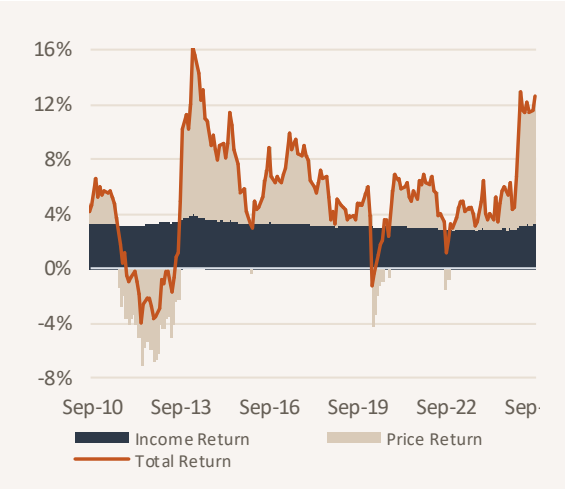
The infrastructure asset class includes a variety of investment types across a subset of industries. There is not one definition for what can be included within infrastructure. Due to the availability of data, we use publicly-traded infrastructure to build up an infrastructure forecast. We believe this forecast can reasonably be used for both private- and publicly-traded infrastructure investments.

The asset class has grown dramatically during the past decade or so as investors sought assets that might provide more attractive yield relative to fixed income, along with the potential for inflation protection.

Similar to real estate investment, income plays a significant role in generating returns for investors. Income yield fell slightly over the past year as prices moved upward.

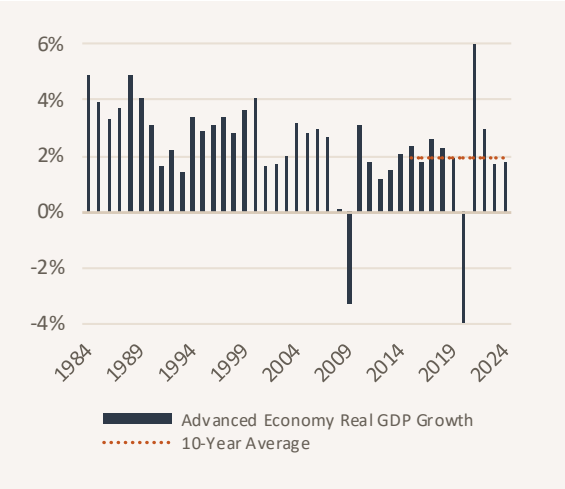
This asset class is generally believed to provide investors with exposure to broad economic growth. Therefore, we use past ten year developed economy real GDP growth as a proxy for future expected infrastructure income growth.

5-YR ROLLING RETURN COMPOSITION



Source: S&P Global Infrastructure Index, as of 9/30/25

ADVANCED ECONOMY REAL GDP GROWTH



Source: IMF, as of 9/30/25

FORECAST

| MARKET           | 10-YEAR FORECAST |
|------------------|------------------|
| Global Inflation | +2.5%            |
| Yield            | +3.8%            |
| Income Growth    | +2.0%            |
| Nominal Return   | 8.2%             |

Source: Cerity Partners, figures may not sum due to rounding

# Commodities

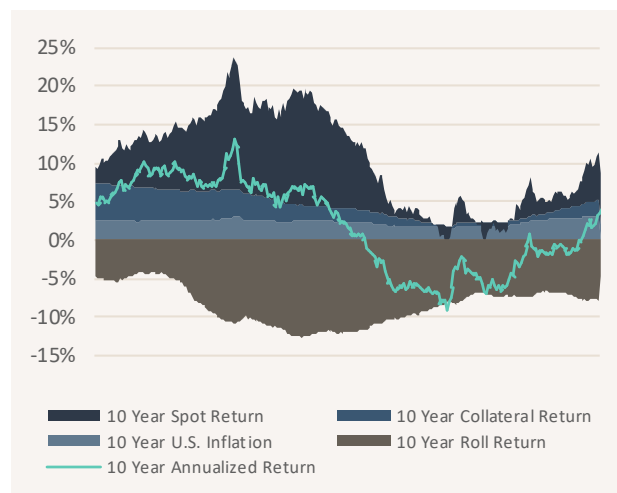
Commodity returns can be decomposed into three sources: collateral return (cash), spot changes (inflation), and roll yield.

Roll return is generated by either backwardation or contango present in futures markets. Backwardation occurs when the futures price is below the spot price, which results in positive yield. Contango occurs when the futures price is above the spot price, and this results in a loss to commodity investors, all else equal. Historically, futures markets have fluctuated between backwardation and contango but with a net-zero effect over the very long-term (since 1877). Therefore, roll return is assumed to be zero in our forecast.

After an extended period of deeply negative roll return which resulted in much pain for commodity investors, the environment has changed in recent years and roll return has been flat to positive. This coincided with strong returns from collateral (higher cash yield following Fed rate hikes) and price appreciation across many types of commodities.

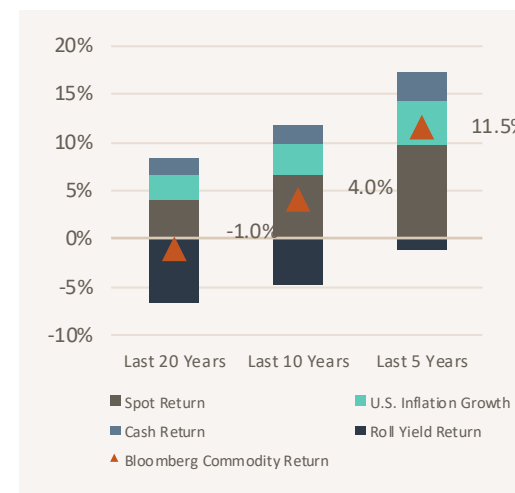
Our 10-year approach to commodities combines collateral (cash) return with spot return (inflation) to arrive at a nominal return forecast.

TRAILING 10YR BLOOMBERG COMMODITY RETURN COMPOSITION (%)



Source: MPI, Bloomberg, as of 8/31/25

BLOOMBERG COMMODITY RETURN COMPOSITION (%)



Source: MPI, Bloomberg, as of 8/31/25

## FORECAST

| MARKET                    | 10-YEAR FORECAST |
|---------------------------|------------------|
| Collateral Return (Cash)  | +3.7%            |
| Roll Return               | +0.0%            |
| Spot Return (Inflation)   | +2.7%            |
| <b>Nominal Return</b>     | <b>6.4%</b>      |
| <i>Inflation Forecast</i> | <i>-2.7%</i>     |
| <i>Real Return</i>        | <i>3.7%</i>      |

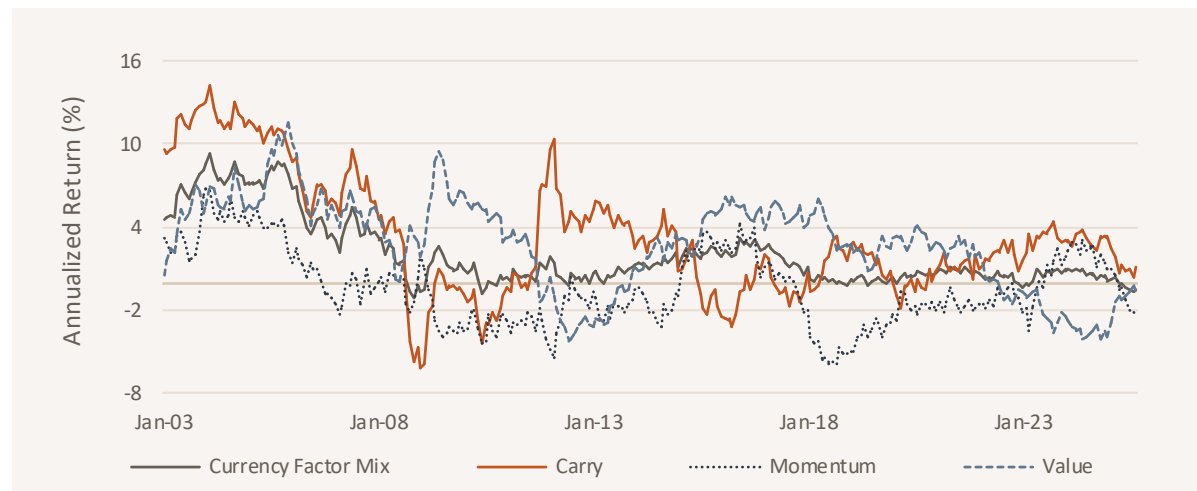
Source: Cerity Partners, weights rescaled to equal 100%, as of 9/30/25.  
Figures may not sum due to rounding.

# Currency Beta

Currency beta is a long-short portfolio of G10 currencies constructed by investing in three equally weighted factors: carry, momentum, and value. A significant amount of academic research has concluded that these factors demand a risk premium in the currency market. Studies have also shown that currency beta explains a high portion of active currency managers' returns, indicating it may be a good neutral starting point or benchmark for currency investing. Currency beta portfolios gain exposure to the carry, momentum, and value factors in a systematic and transparent manner. For more detailed information on currency beta, please contact your Verus consultants.

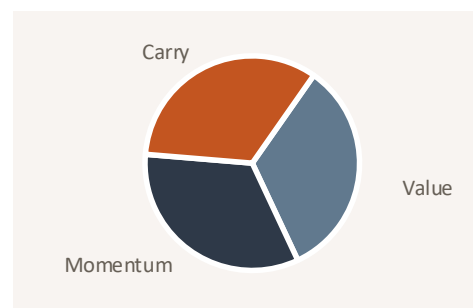
We model each factor in the currency beta portfolio separately, and then take a weighted average to arrive at an overall return forecast. For the carry portfolio, the main driver of returns is the yield an investor receives from holding currencies with relatively higher interest rates. We therefore use a 12-month average of the portfolio's yield as the expected return. For value, our return forecast assumes a certain level of mean reversion to purchasing power parity fair value based on historical data. Lastly, for momentum, we simply assume the average historical return due to lack of long-term fundamental return drivers. Short-term volatility levels typically drive returns in the momentum portfolio, which is difficult to model in a 10-year return forecast.

## 3-YEAR ROLLING PERFORMANCE



Source: MSCI, Cerity Partners, as of 9/30/25

## CURRENCY BETA CONSTRUCTION



Source: Cerity Partners

## RETURN FORECAST

| FACTOR               | WEIGHT | RETURN FORECAST |
|----------------------|--------|-----------------|
| Carry                | 33.3%  | 3.7%            |
| Momentum             | 33.3%  | -0.5%           |
| Value                | 33.3%  | 3.1%            |
| <b>Currency Beta</b> |        | <b>2.1%</b>     |

Source: Cerity Partners, weights rescaled to equal 100%, as of 9/30/25. Figures may not sum due to rounding.

# Risk Parity

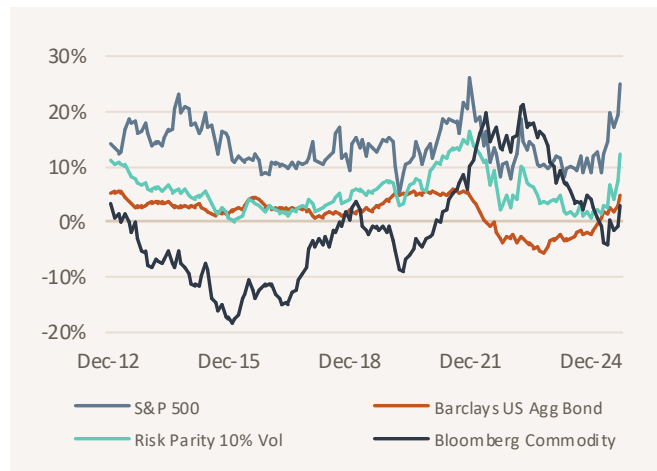
Risk parity is built upon the philosophy of allocating to risk premia rather than to asset classes. Because risk parity by definition aims to diversify risk, the actual asset allocation can appear very different from traditional asset class allocation.

We model risk parity using a representative set of risk parity strategy allocations, at a 10% target volatility level. This “typical” asset mix is then run through our asset allocation tools using our capital market assumptions for the underlying asset classes, including global equity, core fixed income, U.S. TIPS, commodities, as well as cash to represent the cost of leverage. Risk parity almost always involves explicit leverage. The amount of leverage will depend on the specific strategy implementation style, as well as expected correlations and volatility. As the leverage costs inherent in this type of fund structure have risen considerably (as the yield of cash has moved higher), the expected return from risk parity strategies has fallen. We believe this is an important dynamic that investors should make sure to understand. It is important to note that because risk parity represents a *portfolio* of

underlying assets that it will typically show a mildly higher Sharpe Ratio than a combination of the individual asset classes involved. This is due to the diversification effect.

We used the S&P Risk Parity 10% Volatility Index to represent risk parity correlations relative to the behaviors of each asset class. Risk parity funds are suggested to be better able to withstand various difficult economic environments - reducing volatility without sacrificing return, over longer periods. It is difficult to arrive at a single model for risk parity, since strategies can differ significantly across firms/strategies. With our methodology, assuming a 10% target volatility level, we arrive at an expected return of 6.9%.

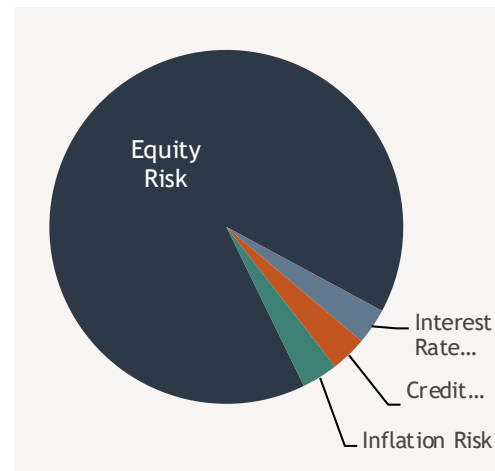
VS. TRADITIONAL ASSET CLASSES (3YR ROLLING)



Source: MPI, as of 9/30/25

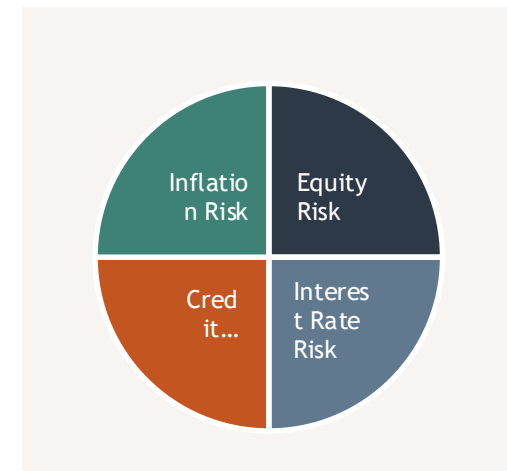
Note: Risk parity is modeled here as S&P Risk Parity 10% Vol Index

TRADITIONAL ASSET ALLOCATION



Source: Cerity Partners

RISK PARITY



Source: Cerity Partners

# Appendix

# 30-Year Return & Risk Assumptions

| ASSET CLASS                     | INDEX PROXY                               | 30-YEAR RETURN FORECAST |            | STANDARD DEVIATION FORECAST | SHARPE RATIO FORECAST (G) | SHARPE RATIO FORECAST (A) |
|---------------------------------|-------------------------------------------|-------------------------|------------|-----------------------------|---------------------------|---------------------------|
|                                 |                                           | GEOMETRIC               | ARITHMETIC |                             |                           |                           |
| EQUITIES                        |                                           |                         |            |                             |                           |                           |
| U.S. Large                      | S&P 500                                   | 5.6%                    | 6.7%       | 15.5%                       | 0.11                      | 0.18                      |
| U.S. Small                      | Russell 2000                              | 6.5%                    | 8.5%       | 21.2%                       | 0.12                      | 0.22                      |
| International Developed         | MSCI EAFE                                 | 6.7%                    | 8.1%       | 17.4%                       | 0.16                      | 0.24                      |
| International Small             | MSCI EAFE Small Cap                       | 8.1%                    | 10.1%      | 21.2%                       | 0.20                      | 0.29                      |
| Emerging Markets                | MSCI EM                                   | 6.7%                    | 9.3%       | 24.2%                       | 0.12                      | 0.22                      |
| Global Equity                   | MSCI ACWI                                 | 6.1%                    | 7.4%       | 16.6%                       | 0.13                      | 0.21                      |
| Global Equity ex USA            | MSCI ACWI ex USA                          | 6.9%                    | 8.6%       | 19.2%                       | 0.16                      | 0.24                      |
| Private Equity                  | CA Private Equity                         | 8.0%                    | 10.9%      | 26.0%                       | 0.16                      | 0.27                      |
| Private Equity Direct           | CA Private Equity                         | 9.0%                    | 11.9%      | 26.0%                       | 0.20                      | 0.31                      |
| Private Equity (FoF)            | CA Private Equity                         | 7.0%                    | 10.1%      | 26.0%                       | 0.12                      | 0.24                      |
| FIXED INCOME                    |                                           |                         |            |                             |                           |                           |
| Cash                            | 30 Day T-Bills                            | 3.9%                    | 3.9%       | 1.1%                        | -                         | -                         |
| U.S. TIPS                       | Bloomberg U.S. TIPS 5-10                  | 4.7%                    | 4.9%       | 5.5%                        | 0.15                      | 0.18                      |
| Non-U.S. Inflation Linked Bonds | Bbg World Govt. Inf Linked Bond ex U.S.   | 4.1%                    | 4.4%       | 7.3%                        | 0.03                      | 0.07                      |
| U.S. Treasury                   | Bloomberg Treasury 7-10 Year              | 4.7%                    | 4.9%       | 7.1%                        | 0.11                      | 0.14                      |
| Long U.S. Treasury              | Bloomberg Treasury 20+ Year               | 4.7%                    | 5.6%       | 13.4%                       | 0.06                      | 0.13                      |
| Global Sovereign ex U.S.        | Bloomberg Global Treasury ex U.S.         | 3.7%                    | 4.2%       | 9.9%                        | -0.02                     | 0.03                      |
| Global Aggregate                | Bloomberg Global Aggregate                | 4.1%                    | 4.3%       | 6.6%                        | 0.03                      | 0.06                      |
| Core Fixed Income               | Bloomberg U.S. Aggregate Bond             | 5.6%                    | 5.7%       | 4.9%                        | 0.35                      | 0.37                      |
| Core Plus Fixed Income          | Bloomberg U.S. Universal                  | 6.1%                    | 6.2%       | 4.6%                        | 0.48                      | 0.50                      |
| Investment Grade Corp. Credit   | Bloomberg U.S. Corporate Investment Grade | 5.6%                    | 5.9%       | 8.3%                        | 0.20                      | 0.24                      |
| Short-Term Gov't/ Credit        | Bloomberg U.S. Gov't/Credit 1-3 Year      | 4.9%                    | 5.0%       | 3.6%                        | 0.28                      | 0.31                      |
| Short-Term Credit               | Bloomberg Credit 1-3 Year                 | 5.3%                    | 5.4%       | 3.6%                        | 0.39                      | 0.42                      |
| Intermediate Credit             | Bloomberg U.S. Intermediate Credit        | 5.8%                    | 6.0%       | 5.9%                        | 0.32                      | 0.36                      |
| Long-Term Credit                | Bloomberg Long U.S. Credit                | 5.8%                    | 6.4%       | 11.0%                       | 0.17                      | 0.23                      |
| High Yield Corp. Credit         | Bloomberg U.S. Corporate High Yield       | 7.3%                    | 7.8%       | 10.7%                       | 0.32                      | 0.36                      |
| Bank Loans                      | Morningstar LSTA US Leveraged Loan        | 6.7%                    | 7.1%       | 8.7%                        | 0.32                      | 0.37                      |
| Global Credit                   | Bloomberg Global Credit                   | 3.7%                    | 4.0%       | 7.7%                        | -0.03                     | 0.01                      |
| Emerging Markets Debt (Hard)    | JPM EMBI Global Diversified               | 8.7%                    | 9.2%       | 9.6%                        | 0.50                      | 0.55                      |
| Emerging Markets Debt (Local)   | JPM GBI-EM Global Diversified             | 5.6%                    | 6.3%       | 12.0%                       | 0.14                      | 0.20                      |
| Securitized Credit              | Bbg U.S. Securitized: MBS, ABS, and CMBS  | 5.9%                    | 6.0%       | 3.9%                        | 0.51                      | 0.54                      |
| Multi-Asset Credit              | 50/50 (High Yield / Bank Loans)           | 7.1%                    | 7.5%       | 9.4%                        | 0.34                      | 0.38                      |

- › Occasionally investors may have a specific need for longer-term capital market forecasts. We have developed a set of 30-year assumptions to meet those needs.
- › The return forecasts below have been constructed using our existing building block approach, but with longer-term inputs. Risks and correlations are estimated using the same approach as our 10-year forecasts, using full-history autocorrelation-adjusted realized risk and past 10 year realized correlations.
- › These return figures must be thought of separately from our 10-year forecasts and are not meant to imply performance for the 20 years beyond our 10-year forecasts.
- › Please reach out to your Verus consultant with questions regarding whether 30-year Capital Market Assumptions might be appropriate for your needs

# 30-Year Return & Risk Assumptions

| ASSET CLASS                                 | INDEX PROXY                        | 30-YEAR RETURN FORECAST |            | STANDARD DEVIATION FORECAST | SHARPE RATIO FORECAST (G) | SHARPE RATIO FORECAST (A) |
|---------------------------------------------|------------------------------------|-------------------------|------------|-----------------------------|---------------------------|---------------------------|
|                                             |                                    | GEOMETRIC               | ARITHMETIC |                             |                           |                           |
| FIXED INCOME (CONT'D)                       |                                    |                         |            |                             |                           |                           |
| Private Credit                              | Morningstar LSTA US Leveraged Loan | 8.4%                    | 9.2%       | 13.4%                       | 0.34                      | 0.40                      |
| Private Credit (Direct Lending - Unlevered) | Morningstar LSTA US Leveraged Loan | 7.0%                    | 7.4%       | 8.7%                        | 0.36                      | 0.40                      |
| Private Credit (Direct Lending - Levered)   | Morningstar LSTA US Leveraged Loan | 8.1%                    | 8.8%       | 12.3%                       | 0.34                      | 0.40                      |
| Private Credit (Credit Opportunities)       | Morningstar LSTA US Leveraged Loan | 9.1%                    | 10.3%      | 16.0%                       | 0.33                      | 0.40                      |
| Private Credit (Junior Capital / Mezzanine) | Morningstar LSTA US Leveraged Loan | 7.8%                    | 8.7%       | 14.0%                       | 0.28                      | 0.34                      |
| Private Credit (Distressed)                 | Morningstar LSTA US Leveraged Loan | 8.6%                    | 12.3%      | 29.1%                       | 0.16                      | 0.29                      |
| OTHER                                       |                                    |                         |            |                             |                           |                           |
| Commodities                                 | Bloomberg Commodity                | 6.2%                    | 7.4%       | 15.8%                       | 0.15                      | 0.22                      |
| Hedge Funds                                 | HFRI Fund Weighted Composite       | 5.6%                    | 5.9%       | 7.5%                        | 0.23                      | 0.27                      |
| Hedge Fund of Funds                         | HFRI Fund of Funds Composite       | 4.6%                    | 4.9%       | 7.5%                        | 0.09                      | 0.13                      |
| Hedge Funds (Equity Style)                  | Custom HFRI Benchmark Mix*         | 5.5%                    | 6.5%       | 14.0%                       | 0.11                      | 0.19                      |
| Hedge Funds (Credit Style)                  | Custom HFRI Benchmark Mix*         | 6.3%                    | 6.7%       | 9.3%                        | 0.26                      | 0.30                      |
| Hedge Funds (Asymmetric Style)              | Custom HFRI Benchmark Mix*         | 5.6%                    | 5.8%       | 6.3%                        | 0.27                      | 0.30                      |
| Real Estate Debt                            | Bloomberg CMBS IG                  | 6.2%                    | 6.5%       | 7.3%                        | 0.32                      | 0.36                      |
| Core Real Estate                            | NCREIF Property                    | 6.8%                    | 7.4%       | 11.7%                       | 0.25                      | 0.30                      |
| Value-Add Real Estate                       | NCREIF Property + 200bps           | 8.8%                    | 9.7%       | 14.4%                       | 0.34                      | 0.40                      |
| Opportunistic Real Estate                   | NCREIF Property + 300bps           | 9.8%                    | 11.5%      | 19.8%                       | 0.30                      | 0.38                      |
| REITs                                       | FTSE Nareit Equity REITs           | 6.8%                    | 8.3%       | 18.0%                       | 0.16                      | 0.24                      |
| Global Infrastructure                       | S&P Global Infrastructure          | 8.2%                    | 9.4%       | 16.5%                       | 0.26                      | 0.33                      |
| Risk Parity**                               | S&P Risk Parity 10% Vol Index      | 7.6%                    | 8.1%       | 10.0%                       | 0.37                      | 0.42                      |
| Currency Beta                               | MSCI Currency Factor Index         | 2.1%                    | 2.2%       | 3.3%                        | -0.55                     | -0.52                     |
| Inflation                                   |                                    | 2.3%                    | -          | -                           | -                         | -                         |

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

\*To represent hedge fund styles, we use a combination of HFRI benchmarks: Equity Style = 33% HFRI Fundamental Growth, 33% HFRI Fundamental Value, 33% HFRI Activist. Credit Style = 20% HFRI Distressed/Restructuring, 20% HFRI Credit Arbitrage, 20% HFRI Fixed Income-Corporate, 20% HFRI Fixed Income-Convertible Arbitrage, 20% HFRI Fixed Income-Asset Backed. Asymmetric Style = 50% HFRI Relative Value, 50% HFRI Macro

\*\*The Risk Parity forecast shown here assumes a 10% target volatility strategy. We recommend customizing this forecast to the target volatility specifications of the risk parity strategy that an investor wishes to model. Please speak with your Verus consultant for customization needs.

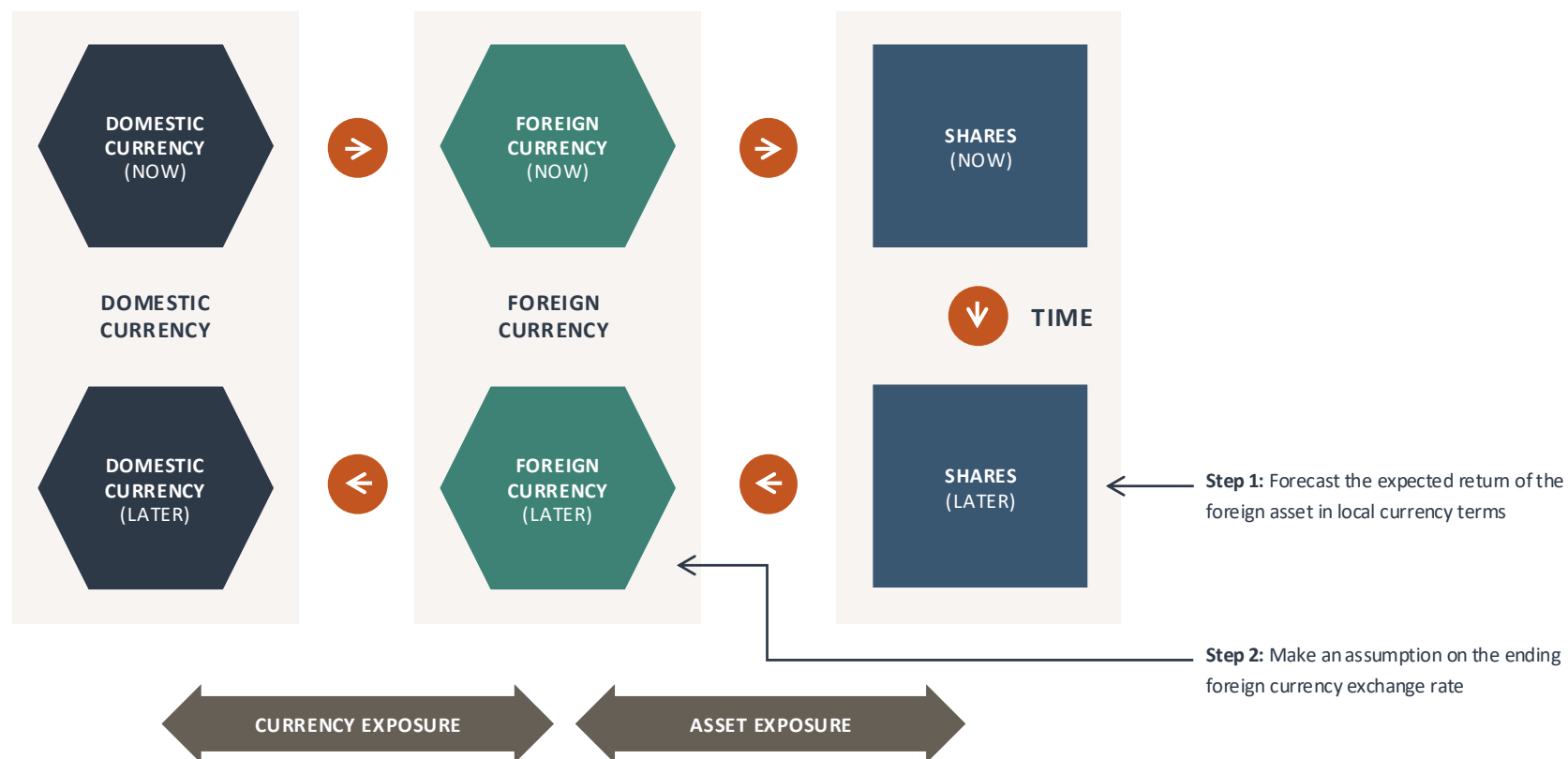
# 10-Year Return Forecasts with Currency Adjustment

|                                       |                                          | 10-YEAR RETURN FORECAST (GEOMETRIC) |                     |              |                             |
|---------------------------------------|------------------------------------------|-------------------------------------|---------------------|--------------|-----------------------------|
| ASSET CLASS                           | INDEX PROXY                              | PRE-CURRENCY ADJUSTMENT             | CURRENCY ADJUSTMENT | CMA FORECAST | STANDARD DEVIATION FORECAST |
| <b>EQUITIES</b>                       |                                          |                                     |                     |              |                             |
| Developed Equity Unhedged             | MSCI EAFE                                | 6.8%                                | 1.3%                | 8.1%         | 17.4%                       |
| International Developed Equity Hedged | MSCI EAFE Hedged                         | 6.8%                                | 1.3%                | 8.1%         | 15.2%                       |
| Small Equity Unhedged                 | MSCI EAFE Small Cap                      | 9.4%                                | 1.3%                | 10.7%        | 21.2%                       |
| International Small Equity Hedged     | MSCI EAFE Small Cap Hedged               | 9.4%                                | 1.3%                | 10.7%        | 18.1%                       |
| <b>FIXED INCOME</b>                   |                                          |                                     |                     |              |                             |
| Global Sovereign ex U.S. Unhedged     | Bloomberg Global Treasury ex U.S.        | 2.7%                                | 1.4%                | 4.1%         | 9.9%                        |
| Global Sovereign ex U.S. Hedged       | Bloomberg Global Treasury ex U.S. Hedged | 2.7%                                | 1.4%                | 4.1%         | 4.3%                        |
| Global Credit Unhedged                | Bloomberg Global Credit                  | 4.3%                                | 0.3%                | 4.6%         | 7.7%                        |
| Global Credit Hedged                  | Bloomberg Global Credit Hedged           | 4.3%                                | 0.3%                | 4.6%         | 5.4%                        |

The currency adjustment is the market implied price change for major currency pairs based on forward contract pricing. Since the market implied spot price change and the cost/gain from hedging are both derived from pricing in the forward market, they are one and the same. Therefore, the currency adjustment is the same for both unhedged and hedged forecasts. See the following slides for the more detail on the currency adjustment methodology.

# Explanation of the Currency Adjustment

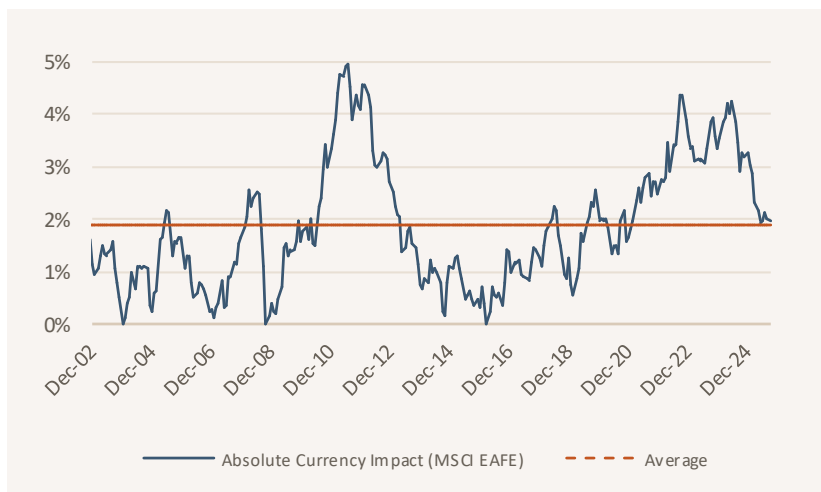
Our fundamental building block approach produces a return forecast in local currency. In order to create useable forecasts for non-U.S. dollar-denominated assets, we must make an assumption about future foreign exchange rates.



# Explanation of the currency adjustment

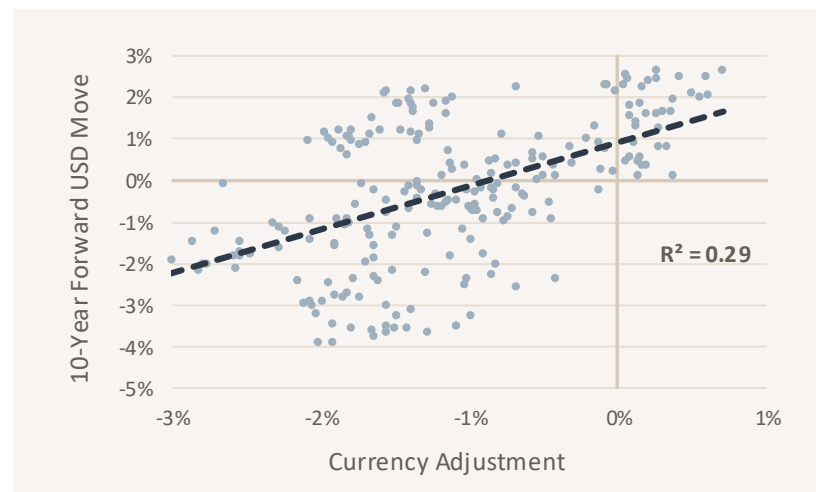
- › There are two options to adjust a local currency return forecast to a U.S. dollar forecast: make a specific exchange rate forecast or take market pricing based on the forward curve
  - It is important to note that ignoring currency is making a specific assumption that the current exchange rate will be unchanged over the next 10 years, which has rarely been the case throughout history
- › Forward currency contracts are priced based on the interest rate differential between two currencies – interest rate differentials reflect a significant amount of information, including growth, inflation, and monetary policy expectations
- › Markets price future exchange rates in the forward market, which represents the SPOT currency price for FORWARD delivery
- › A currency with a higher interest rate is priced to depreciate relative to a currency with a lower interest rate
- › We adjust our local currency return forecasts based on forward market pricing because we believe this is the neutral, “no opinion” position, rather than making a specific forecast
- › Historically, this currency adjustment has had a positive relationship with 10-year forward exchange rate movements

10-YEAR ROLLING ABSOLUTE CURRENCY PERFORMANCE IMPACT



Source: Cerity Partners, MSCI, as of 9/30/25

CURRENCY ADJUSTMENT VS. FORWARD USD MOVEMENT



Source: Cerity Partners, Bloomberg, using data since 1989, based on the MSCI EAFE Index

# Autocorrelation Adjustment

- › We adjust all volatility forecasts that use the long-term historical volatility for autocorrelation.
- › Autocorrelation occurs when the future returns of a time series are described (positively correlated) by past returns.
- › Time series with positive autocorrelation exhibit artificially low volatility, while time series with negative autocorrelation exhibit artificially high volatility.
- › Many asset classes that we tested showed positive autocorrelation, meaning the volatility forecasts that we use in the forecasting process are too low for those asset classes.
- › The result of this process was that several asset classes have higher volatility forecasts than if we had made no adjustment for autocorrelation.

Autocorrelation has been shown to be statistically significant across many asset classes, which implies an adjustment is appropriate

# Hedge Fund Style Regression Details

- › We forecast hedge fund styles by assuming that historical exposure to market “betas” will hold in the future. Historical beta exposure was calculated using a 10-year regression, which is displayed below. The regression was performed against a combination of HFRI hedge fund indices that we believe appropriately represent each hedge fund trading style. The index weightings are also provided below.
- › The “unexplained” component below is the portion of historical hedge fund returns that were not explained by public betas. This portion of return is likely comprised of a combination of unique/alternative betas, hedge fund alpha, and idiosyncratic return.

## HEDGE FUND EQUITY

| BETA COEFFICIENTS  |       |
|--------------------|-------|
| Equity Beta        | 0.76  |
| Rates Beta         | -0.17 |
| Unexplained return | 0.00  |

Regression based on equal-weighted basket of the following hedge fund indexes:

- › HFRI Fundamental Growth
- › HFRI Fundamental Value
- › HFRI Activist

## HEDGE FUND CREDIT

| BETA COEFFICIENTS |      |
|-------------------|------|
| Rates Beta        | 0.25 |
| Credit Beta       | 0.63 |
| Unexplained       | 0.21 |

Regression based on equal-weighted basket of the following hedge fund indexes:

- › HFRI Distressed/ Restructuring
- › HFRI Credit Arbitrage
- › HFRI Relative Value Corporate,
- › HFRI Convertible Arbitrage,
- › HFRI Asset Backed

## HEDGE FUND ASYM METRIC

| BETA COEFFICIENTS  |       |
|--------------------|-------|
| Equity Beta        | 0.09  |
| Rates Beta         | -0.03 |
| Credit Spread Beta | 0.09  |
| Commodity Beta     | 0.06  |
| Unexplained        | 1.00  |

Regression based on equal-weighted basket of the following hedge fund indexes:

- › HFRI Relative Value
- › HFRI Macro

# Notices & Disclosures

Information and data are as of the date herein and have not been updated to reflect subsequent market conditions.

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## **Illinois Police Officers' Pension Investment Fund**

# **Investment Services Contracts Disclosure**

## **October 16, 2026**

- The Board of Trustees is requested to approve the Investment Services Contracts Disclosure.
- Section 1-113.14(g) of the Illinois Pension Code requires IPOP to post on its website a description of every contract for investment services, including the investment service provider, applicable amount, fees, and a Board-approved disclosure of the factors that contributed to the selection.
- Fiduciary Counsel reviewed the disclosure and advised that it complies with Section 1-113.14(g).



# **Illinois Police Officers' Pension Investment Fund**

## **Strategic Objectives Report Investments – 10/16/26**

- 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](http://www.ipopif.org)

**MEMORANDUM**

DATE: October 7, 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.
- 

**General Investment Objectives, Cerity**

(Updates in red)

1. **Enterprise Risk Tolerance Assessment – Completed 6/5/26**
2. **Asset Allocation Study**
  - Key research topics discussed at 2/6/26 Board meeting.
  - Staff and Consultant analysis and evaluation following rehiring Cerity.
  - Board presentation pushed from September to October due to heavy Sept. agenda.
3. **Investment Policy Statement**
  - Annual adoption: 2/6/26
  - Reviewing manager monitoring language
  - Sequenced with Asset Allocation Study
  - Board review pushed from October to December.
    - Evaluating investment manager monitoring language
    - Evaluating private market benchmarks for consolidated reporting
4. **Planning and Review**
  - Cerity created an investment cycle matrix.
  - Targets rotating asset class deep-dives every 2-3 years
  - Need to formalize and aggregate with private markets
  - Target October or December Board meeting

## 5. Public Market Searches

- To be informed by Asset Allocation and Asset Class Reviews
- 

### Private Market Objectives, Albourne

#### 1. Private Market Strategic Plan

- Board approval: 2/6/26
- Annual update targeted for late 2026 or early 2027
  - Need crisp executive summary

#### 2. Private Equity Search – Completed 6/30/26

#### 3. Infrastructure Search

- Initiated: 1/20/26
- Board Interviews: 6/5/26
- Final selection: 7/31/26
- Contracting target completion: 12/31/26

#### 4. Real Estate Search

- Initiated: 4/20/26
- RFI and proposal evaluation completed.
- Semifinalist interviews in early August
- Board interviews: 9/15/26
- Final selection: at October and December Board meetings
- Contracting: target three months after selection

#### 5. Private Credit Search #2

- Search Approval: 7/31/26
  - RFI review in early Sept.
  - Proposal evaluation and semifinalist interviews 4Q26
  - Board interviews: January 2027
  - Board Selection: March 2027
  - Contracting: target three months after selection
- 

### Operations

#### 1. Recruiting – Completed 8/31/26

- Investment Officer job posted 6/22/26.
- Investment Officer Ed Bush started 8/31/26

#### 2. ACFR Support

- Coordinating with Controller, Amy Zick
- Tasks assigned
- ~biweekly review meetings
- 9/10/26 deadline
- Nearing completion

**3. Compliance monitoring and reporting**

- Started review following hiring of new investment officer
- Completed review of required transparency and disclosures in September.
- Investment Services Contract review targeted for October Board Review
- Compliance monitoring matrix and report under development, targeting Board review in December.

**4. Special Investment Principle Implementation**

- Proxy Voting
- Exclusion Lists
- Target for 2027 initiation



# **Illinois Police Officers' Pension Investment Fund**

## **Investment Update As of 10/7/26**

# Performance Update

|                  | Aug '26 | FY27<br>July –<br>Aug '26 | 3 years<br>ending<br>Aug '26 | Since<br>Incept.<br>4/22 |
|------------------|---------|---------------------------|------------------------------|--------------------------|
| IPOPIF Pool      | 1.7%    | 1.4%                      | 15.3%                        | 9.6%                     |
| Policy Benchmark | 1.7%    | 1.5%                      | 14.6%                        | 9.3%                     |
| Broad Benchmark  | 2.1%    | 1.8%                      | 15.1%                        | 9.1%                     |

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 lost approximately 1.7% in September.

# FY27 Performance Commentary

- **July 2026** – The Fund was down a modest 0.3% as pullbacks in growth-oriented stock funds (Hood River – US small, WCM – Intl. Small, Wm. Blair – Emerging Markets) were offset by gains in Bank Loans and REITs. Core Bonds and Treasuries were negatively impacted by rising rates while short-term debt and TIPS held their own.
- **August 2026** – The Fund was up 1.7% in August driven by stocks with US Large Cap up 2.8%, International Small cap up 5.8% and Emerging Markets ex China up 4.0%.
- **September 2026** – Based on preliminary information, the Fund lost approximately 1.7% in September, driven by substantial increases in long-term interest rates. The pain was felt across bonds and stocks, especially US small cap and REITs. Mitigating strategies included Wm. Blair EME ex China, Bank Loans, and the Principal US Property Account, which all posted positive returns.

# Asset Allocation – 1

|                             | Current      |              |  | Target       |              |  | Variance     |              |
|-----------------------------|--------------|--------------|--|--------------|--------------|--|--------------|--------------|
| Account                     | \$M          | %            |  | \$M          | %            |  | \$M          | %            |
| <b>Growth</b>               | <b>9,887</b> | <b>60.1%</b> |  | <b>9,548</b> | <b>58.0%</b> |  | <b>339</b>   | <b>2.1%</b>  |
| RhumbLine US Large          | 3,867        | 23.5%        |  | 3,786        | 23.0%        |  | 81           | 0.5%         |
| US Small Cap (3 mgrs)       | 852          | 5.2%         |  | 823          | 5.0%         |  | 29           | 0.2%         |
| RhumbLine US Small          | 320          | 1.9%         |  | 329          | 2.0%         |  | (9)          | -0.1%        |
| Hood River                  | 255          | 1.5%         |  | 247          | 1.5%         |  | 8            | 0.0%         |
| Reinhart                    | 277          | 1.7%         |  | 247          | 1.5%         |  | 30           | 0.2%         |
| SSGA Non-US Developed       | 3,027        | 18.4%        |  | 3,128        | 19.0%        |  | (101)        | -0.6%        |
| Intl. Small Cap (3 mgrs)    | 876          | 5.3%         |  | 823          | 5.0%         |  | 53           | 0.3%         |
| Acadian                     | 443          | 2.7%         |  | 412          | 2.5%         |  | 31           | 0.2%         |
| LSV (1 day lag)             | 231          | 1.4%         |  | 206          | 1.25%        |  | 25           | 0.2%         |
| WCM (monthly)               | 202          | 1.2%         |  | 206          | 1.25%        |  | (4)          | 0.0%         |
| EME ex China                | 1,265        | 7.7%         |  | 988          | 6.0%         |  | 278          | 1.7%         |
| ARGA (monthly)              | 671          | 4.1%         |  | 494          | 3.00%        |  | 177          | 1.1%         |
| William Blair               | 594          | 3.6%         |  | 494          | 3.00%        |  | 100          | 0.6%         |
| Lexington Priv. Eq. (Qtrly) | 3            | 0.6%         |  | 3            | 0.6%         |  | -            | 0.0%         |
| <b>Real Return</b>          | <b>880</b>   | <b>5.3%</b>  |  | <b>988</b>   | <b>6.0%</b>  |  | <b>(108)</b> | <b>-0.7%</b> |
| SSGA REITS                  | 648          | 3.9%         |  | 658          | 4.0%         |  | (11)         | -0.1%        |
| PRINCIPAL USPA              | 232          | 1.4%         |  | 329          | 2.0%         |  | (97)         | -0.6%        |

As of 10/07/26

# Asset Allocation - 2

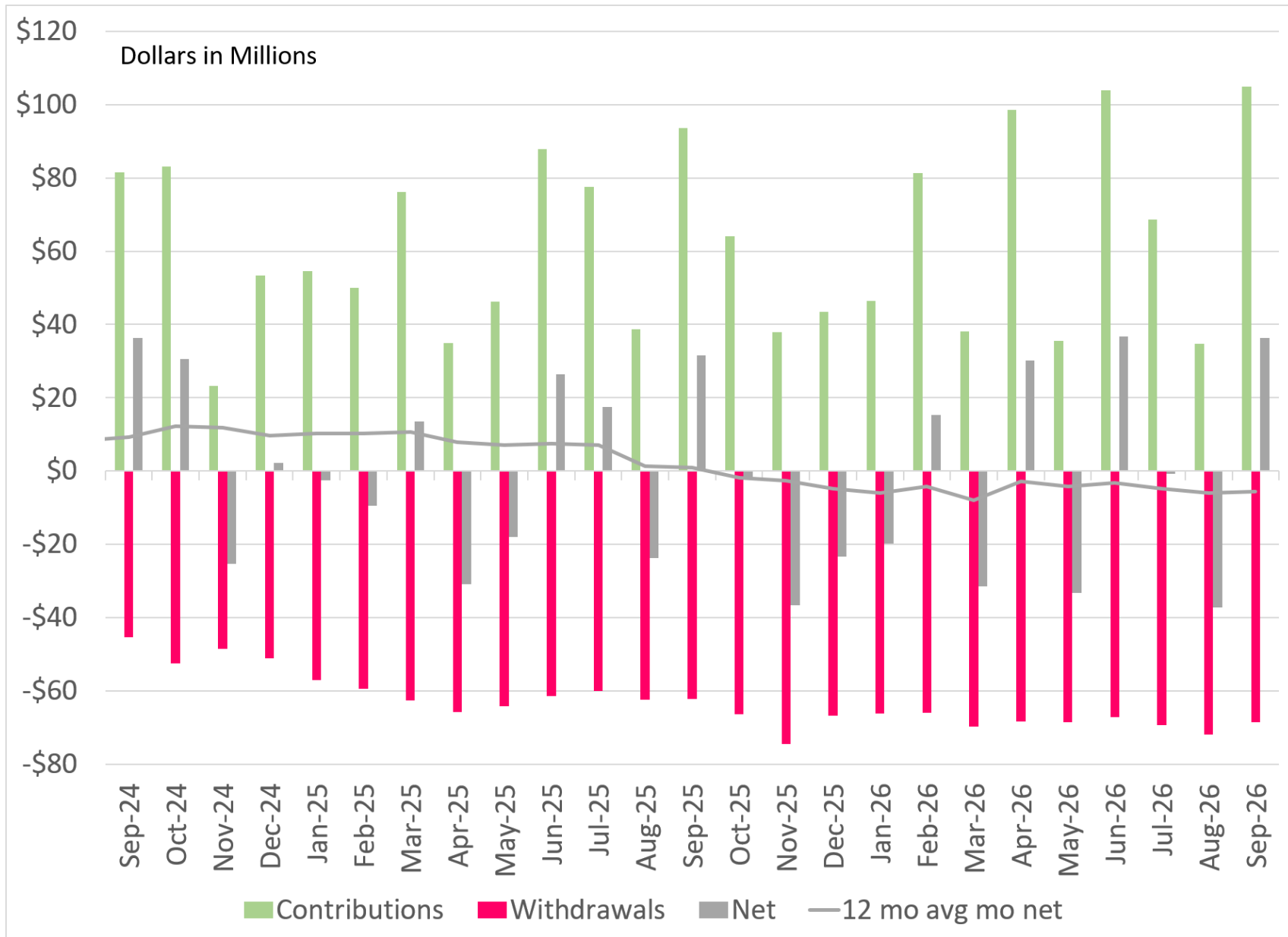
|                              | Current       |               |  | Target        |               |  | Variance     |              |
|------------------------------|---------------|---------------|--|---------------|---------------|--|--------------|--------------|
| Account                      | \$M           | %             |  | \$M           | %             |  | \$M          | %            |
| <b>Income</b>                | <b>2,446</b>  | <b>14.9%</b>  |  | <b>2,634</b>  | <b>16.0%</b>  |  | <b>(188)</b> | <b>-1.1%</b> |
| High Yield (2 mgrs)          | 628           | 3.8%          |  | 658           | 4.0%          |  | (31)         | -0.2%        |
| SSGA High Yield              | 316           | 1.9%          |  | 329           | 2.0%          |  | (13)         | -0.1%        |
| MetLife                      | 312           | 1.9%          |  | 329           | 2.0%          |  | (17)         | -0.1%        |
| EM Debt (2 mgrs)             | 931           | 5.7%          |  | 988           | 6.0%          |  | (57)         | -0.3%        |
| Cap Group EMD                | 260           | 1.6%          |  | 247           | 1.5%          |  | 13           | 0.1%         |
| SSGA EM Debt                 | 671           | 4.1%          |  | 741           | 4.5%          |  | (69)         | -0.4%        |
| Bank Loans (2 mgrs)          | 470           | 2.9%          |  | 494           | 3.0%          |  | (24)         | -0.1%        |
| Ares (monthly)               | 155           | 0.9%          |  | 165           | 1.0%          |  | (9)          | -0.1%        |
| Aristotle (monthly)          | 315           | 1.9%          |  | 329           | 2.0%          |  | (15)         | -0.1%        |
| Oaktree Priv. Cred. (Qrtly)  | 417           | 2.5%          |  | 494           | 3.0%          |  | (77)         | -0.5%        |
|                              |               |               |  |               |               |  |              |              |
| <b>Risk Mitigation</b>       | <b>3,249</b>  | <b>19.7%</b>  |  | <b>3,292</b>  | <b>20.0%</b>  |  | <b>(43)</b>  | <b>-0.3%</b> |
| Cash Accounts                | 267           | 1.6%          |  | 165           | 1.0%          |  | 102          | 0.6%         |
| SSGA ST GOV-CREDIT           | 1,617         | 9.8%          |  | 1,646         | 10.0%         |  | (29)         | -0.2%        |
| SSGA TIPS                    | 486           | 3.0%          |  | 494           | 3.0%          |  | (7)          | 0.0%         |
| SSGA US TREASURY             | 435           | 2.6%          |  | 494           | 3.0%          |  | (59)         | -0.4%        |
| SSGA CORE BONDS              | 443           | 2.7%          |  | 494           | 3.0%          |  | (51)         | -0.3%        |
| Legacy Transition Bonds      | 0.867         | 0.0%          |  | -             | 0.0%          |  | 1            | 0.0%         |
|                              |               |               |  |               |               |  |              |              |
| <b>Total Investment Pool</b> | <b>16,462</b> | <b>100.0%</b> |  | <b>16,462</b> | <b>100.0%</b> |  |              |              |

As of 10/07/26

# Funding and Rebalancing

- EM Ex China equity
  - We continue to gradually redeem from the ARGA and William Blair Emerging Market ex China equity accounts to reduce the allocation overweight while minimizing market impact and transaction costs.
  - In September we redeemed another \$20 million from each account. Similar monthly redemptions will continue until the accounts are restored to target weights.
  - Since November 2025 through September 2026, we have redeemed \$180 million from each account (\$360 million total).
- \$21 million capital call from Lexington to be funded from Short-term bonds in October.

# Monthly Participant Fund Cash Flow



# Investment Updates

- Partners Group Private Infrastructure contracts progressing.
  - Anticipate closing in 4Q26 followed by initial capital calls in late 2026 or early 2027. (no change)
- Private Real Estate search near conclusion.
  - Recommendations in October and December.
- Private Credit search on track.
  - Proposal deadline was October 2.
  - Board interviews targeted for January 2027.
- IPS review moved to December.
  - Evaluating private market reporting and benchmarks.
  - Evaluating streamlined monitoring language.
- Non-transferable asset (NTA) review awaiting FY25 data from IL Department of Insurance.
- Strategic analysis and planning continue.

# Board Agenda Projection

- October 16, 2026
  - Priv. Real Estate Selection #1
  - Strategic Asset Allocation
  - Strategic Plan (Qrtly)
- December 11, 2026
  - Priv. Real Estate Selection #2
  - Investment Policy Review
  - Private Market Strategic Plan
  - Quarterly Performance
  - NTA review
- January 2027
  - Private Credit Interviews
  - NTA & Strategic Plan (Qrtly)
- March 2027
  - Private Credit Selection
  - Quarterly Performance
- Reviews TBD
  - Procurement of Investment Services Policy
  - Transfer of Assets Rule
  - Investment Position Descriptions

For discussion and planning purposes. Subject to revision.



## Illinois Police Officers' Pension Investment Fund

Peoria, IL  
[www.ipopif.org](http://www.ipopif.org)

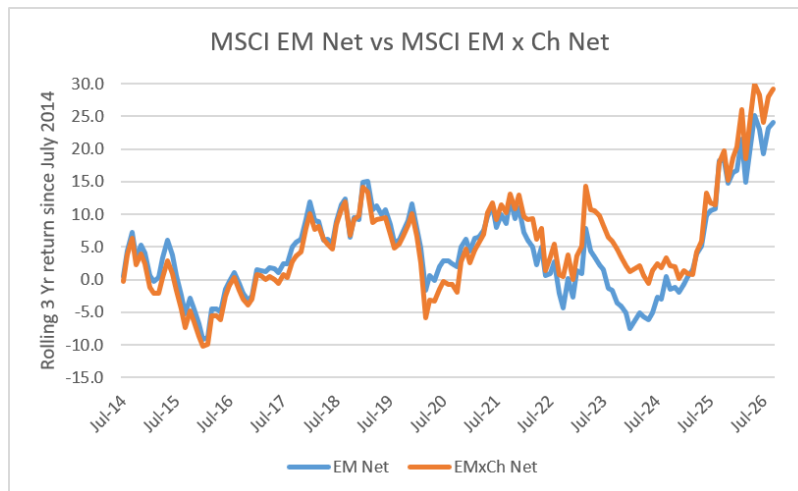
### MEMORANDUM

DATE: October 6, 2026  
TO: Kent Custer  
FROM: Barb Meyer  
SUBJECT: EM vs EM ex China; benchmarks and IPOPIF managers

**Summary:** Following a board request for information about the relative performance of Emerging Markets Equity ("EM") versus Emerging Markets Equity ex China Equity ("EMxCh"), the information below is being provided.

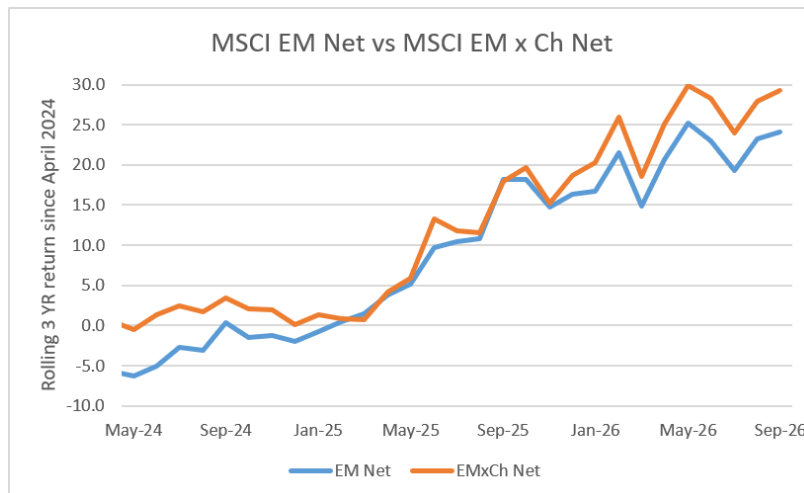
The relative performance of the MSCI EM and MSCI EMxCh indexes has oscillated over time as shown in Exhibit 1: Rolling 3 Year return (6-month rollback) for both indices since July 2014.

**Exhibit 1**



In more recent periods, EMxCh has more consistently outperformed as shown in Exhibit 2: Rolling 3 Year return (6-month rollback) for both indices since April 2024.

**Exhibit 2**



### Background & IPOPIF portfolio

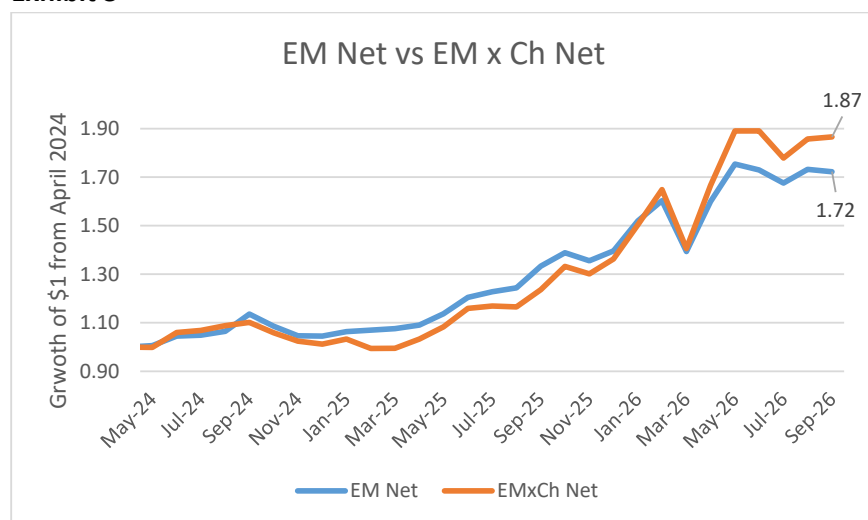
On April 12, 2024, the IPOPIF Board elected to gradually transition IPOPIF's passively managed EM portfolio to EMxCh. The passive EMxCh index fund was funded gradually from the passive EM fund from May 2024 to December 2024.

Subsequent to the Board's ex China decision, IPOPIF issued a Request for Proposals ("RFP") for active EMxCh Investment Management Services on June 14, 2024. On October 18, 2024, The IPOPIF board approved the ARGA Emerging Markets ex China Equity and the William Blair Emerging Markets ex-China Growth strategies, with an allocation of 3.0% of IPOPIF total Plan to each. ARGA and William Blair were gradually funded from the passive EMxCh index fund from December 2024 through April 2025.

### Conclusion

As illustrated in Exhibits 1-2 above, and 3-4, below the timing of IPOPIF's decision in April 2024 to move from EM to EMxCh was favorable.

### Exhibit 3



### Exhibit 4

| As of     | MSCI Indices                                 | CYTD  | 1 Year | 3 Years | 5 Years | Since 5/1/24* | Since 1/1/25** |
|-----------|----------------------------------------------|-------|--------|---------|---------|---------------|----------------|
| 9/30/2026 | MSCI EM (EMERGING MARKETS). "EM"             | 23.4% | 29.2%  | 24.1%   | 8.9%    | 25.2%         | 33.0%          |
| 9/30/2026 | MSCI EM (EMERGING MARKETS) ex CHINA. "EMxCh" | 36.9% | 50.9%  | 29.2%   | 13.4%   | 29.4%         | 41.8%          |

\* 5/1/24 is the first month after the IPOPIF board elected to go ex-China

\*\* 1/1/25 is the first month for which both EM ex China active managers received initial funding

- MSCI notices

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## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOP BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: DEPUTY EXECUTIVE DIRECTOR JOB DESCRIPTION - APPROVAL

DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Approve the Deputy Executive Director Job Description

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### **DISCUSSION:**

The Deputy Executive Director is under consideration as a new position in the Administrative and Operations section of the Fund and a job description for this position is submitted to the Board of Trustees for approval.

## **ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND POLICY AND PROCEDURE**

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**POLICY NUMBER:** PP-2026-xx  
**SUBJECT:** DEPUTY EXECUTIVE DIRECTOR JOB DESCRIPTION  
**EFFECTIVE DATE:** OCTOBER 16, 2026  
**AMENDED:**

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### **INDEX:**

SECTION A: INTRODUCTION  
SECTION B: DUTIES AND RESPONSIBILITIES  
SECTION C: QUALIFICATIONS  
SECTION D: POLICY REVIEW

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### **A. INTRODUCTION**

1. The Deputy Executive Director (Deputy ED) is a senior level executive position that reports to, assists, and supports the Executive Director in the management of administrative and operations responsibilities of the Fund.
2. The Deputy ED is selected by the Executive Director.

### **B. DUTIES AND RESPONSIBILITIES**

1. Administration and Operations
  - i. Assists the Executive Director on all matters relating to the administration and operations of IPOPIF.
  - ii. Represents the Executive Director at meetings, as required.
  - iii. Assist the Executive Director in the development, monitoring, and implementation of the Strategic Plan.
  - iv. Assists the Executive Director in implementing its governance By-Laws, Policies and Procedures.
  - v. Assists the Executive Director in the preparation of agendas and materials for the Board of Trustees and Committee meetings.

2. Communication

- i. At the direction of the Executive Director, makes presentations to and maintains effective relationships with the Board of Trustees, Article 3 Fund representatives and stakeholders, regulatory agencies, public officials, staff, consultants, and others necessary to support Fund operations.
- ii. Assists the Executive Director with the effective and timely communications with stakeholders on matters relating to the administration of IPOPIF.

3. Human Resources

- i. Assists the Executive Director in human resources matters pertaining to recruiting, hiring, employee onboarding, benefits enrollment, performance evaluation process, and other human resource assignments.

4. Miscellaneous

- i. Performs assignments, duties and responsibilities as assigned by the Executive Director.
- ii. Special projects, as assigned by the Executive Director.
- iii. Works closely with and coordinates with the General Legal Counsel, Fiduciary Legal Counsel, and Chief Investment Officer, as necessary and under the direction of the Executive Director..

**C. QUALIFICATIONS:**

1. A bachelor's degree from an accredited college or university or equivalent combination of education and experience.
2. Ten years or more of progressively responsible government and/or public sector leadership experience.
3. Experience working with Article 3 police pension funds, Illinois public pension funds, and/or other public sector pension funds.
4. Highly detail-oriented and self-motivated.
5. Strong organizational skills and a minimum of two years' supervising staff.
6. Any combination of education, training and/or experience could provide the desired knowledge and abilities.

#### **D. 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 xx/xx/xxxx.

DRAFT



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: DEPUTY EXECUTIVE DIRECTOR – EMPLOYMENT AGREEMENT  
DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Approve the Deputy Executive Director Employment Agreement with Shawn Curry.

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### **DISCUSSION:**

The EMPLOYMENT AGREEMENT between Shawn P. Curry and the Illinois Police Officers' Pension Investment Fund (IPOPIF) is submitted for review and necessary action.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: EXECUTIVE DIRECTOR – SELECTION OF CANDIDATE  
DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Selection of Executive Director candidate and appointment of General Legal Counsel Reimer, Chairperson Swanlund, and Vice Chairperson Catavu as representatives of the Board of Trustees for contract negotiations.

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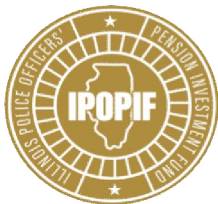
### **BACKGROUND:**

The Board of Trustees started the search and recruitment process for the Executive Director in March 2026. This process was led by current Executive Director White, facilitated by our Human Resources Consultant and included the appointment of an Ad Hoc Special Committee for the different stages of the hiring process..

Subsequent to the dissemination of the recruitment flier, a number of applications for the position were received by our HR consultant. These applications were initially screened for applicability for the Executive Director position based on the job description and resumes submitted. This initial stage resulted in a few applications deemed to be outside the scope of the position.

The Special Committee met in-person on May 28, 2026, reviewed the relevant applications submitted for the Executive Director position, and recommended four candidates for continued review.

The next stage for these candidates were interviews with the Executive Director White and Chief Investment Officer Custer. These were conducted individually with each candidate in June 2026 and included the purpose of introducing the Fund to these candidates, to gain an appreciation of their interest in the position, to answer any questions about the role, and to gauge the fit to the organization.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

The Special Committee met again in August 31, 2026, and individually interviewed (in-person) each of the four candidates for the position. The interview with each candidate lasted approximately 90 minutes and included a presentation by each candidate on an executive leadership scenario, which was given to the candidate in advance of this meeting, and questions of each candidate. Afterwards, the Committee reviewed and discussed the interviews of each candidate.

Based on the recommendation of the committee, two candidates were recommended to be interviewed by the full Board of Trustees which was done at the September 15, 2026, meeting

### **DISCUSSION AND CONCLUSION:**

Subsequent to the aforementioned meeting, despite received the required five votes for the position, the nominated candidate indicated the willingness to serve in an executive capacity underneath the Executive Director should the Board of Trustees re-consider the selection of the candidate(s) for this position.

It is important to recognize that the aforementioned executive level position and reporting arrangement was proposed by a Board member at a previous meeting about the Executive Director selection. The Board of Trustees will be able to consider the finalization of the selection of the Executive Director nominee and the creation of the additional executive level position at this meeting.

The Board of Trustees can re-consider the nomination of a candidate for the Executive Director at this meeting and may direct contract negotiation and background investigation of the nominated candidate take place.

The Board of Trustees will have the final approval for the hiring of the next Executive Director and the employment agreement before the hiring selection is complete. It is anticipated that this step would follow at the next regular meeting of the Board of Trustees.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

**TO: BOARD OF TRUSTEES**  
**FROM: RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE: EXECUTIVE DIRECTOR EMPLOYMENT MATTERS – CLOSED  
SESSION DISCUSSION**  
**DATE: OCTOBER 16, 2026**

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The Board of Trustees may enter into Closed Session for the purpose of discussions regarding the employment matter regarding the appointment of an Executive Director.

The following motion is suggested to enter into Closed Session:

#### CLOSED SESSION MOTION:

A motion was made by Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_ to enter into closed session at \_\_\_\_\_ AM/PM in accordance with 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of the Executive Director.



## 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: OCTOBER 16, 2026**

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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.



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: PUBLIC COMMENTS  
DATE: OCTOBER 16, 2026

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**RECOMMENDED ACTION(S):** Receive public comments.

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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.