

BOARD MEMBERS**Vacant***Participant Representative***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***Elizabeth Holleb***Municipal Representative
Lake Forest, IL***Michael Inman***Municipal Representative
Macomb, IL***Phil Suess***Municipal Representative
Wheaton, IL***Brad Cole***Illinois Municipal League
Representative
Carbondale, IL***FREQUENTLY ASKED QUESTIONS**

- **What is the Illinois Police Officers' Pension Investment Fund?**

As set forth in the Illinois Pension Consolidation Act of 2019, Illinois Police Officers' Pension Investment Fund exists for the exclusive purpose of protecting and investing the assets of the Article 3 pension funds covering police officers serving and protecting all Illinois downstate and suburban municipalities and their beneficiaries, while also supporting our municipal partners who employ them. We are dedicated to the mission of providing a dignified retirement for our participants and their beneficiaries.

- **What is one of the primary reasons for consolidating the local pension fund assets?**

Illinois Police Officers' Pension Investment Fund was created to allow for the pooling of assets into one larger investment fund to reduce costs through better negotiating power. It also provides access to investments that were closed to smaller local funds and access to best-in-class investment managers at competitive pricing. Lower management costs and performance fees will ensure more money is available to fund pension benefits for the retirees and beneficiaries of the Article 3 pension funds.

- **Do the local police pension funds still have ownership of their assets?**

Yes. The law stipulates that the assets and liabilities of local pension funds will remain under the ownership of each local pension fund. The Illinois Police Officers' Pension Investment Fund is not a state plan. The consolidated asset pool is comprised of the fund assets that continue to be locally owned by the participating police pension funds. These assets cannot be accessed by the state, nor is the investment fund affected by the state government's financial condition. Specifically, the law requires pension fund assets of the participating pension funds to be maintained in accounts held outside the state treasury.

- **Are pension fund assets combined for investment purposes?**

Yes. It is important to note that the law stipulates that the Board of Trustees shall ensure that the financial condition of one participating pension fund will have no effect on the financial condition of any other participating fund. The consolidated asset pool is comprised of the assets that continue to be locally owned by the participating police pension funds. These assets cannot be accessed by the state, nor is the investment fund affected by the state government's financial condition.

FREQUENTLY ASKED QUESTIONS (Cont.)

- **What will the size of the consolidated pool of assets be once the assets are transferred from the 357 local pension funds?**

It is estimated that the consolidated pool of assets will be \$9.5 billion. The larger consolidated asset pool allows us to reduce costs through better negotiating power while also providing access to investments that were closed to smaller local funds and to be able to access best-of-breed investment managers at competitive pricing. Lower management costs and performance fees will ensure more money is available to fund pension benefits for the retirees and beneficiaries of the Article 3 pension funds.

- **In what type of assets will the Consolidated fund invest?**

The Fund has the statutory authority (40 ILCS 5/22B 121,122) to invest and manage the pension fund assets without any of the limitations that were applicable to the individual participating police pension funds and will have the ability to invest the funds in accordance with policies established by the Board of Trustees.

- **What investment benefit is expected by the consolidation of assets into a single pool?**

The pooling of assets into one larger investment fund will reduce costs through better negotiating power while also providing access to investments that were closed to smaller local funds and to be able to access best-of-breed investment managers at competitive pricing. Lower management costs and performance fees will ensure more money is available to fund pension benefits for the retirees and beneficiaries of the Article 3 pension funds.

- **When will the transfer of assets be completed?**

The Board of Trustees declared the transfer of assets to be substantially completed on December 31, 2022.

- **Who is responsible for the operation and administration of the Fund?**

The Fund's Board of Trustees is charged with this responsibility. The Board is supported by a streamlined staff that includes an Executive Director and a Chief Investment Officer.

- **Who is responsible for the investment of the consolidated pool of assets?**

The Fund's Board of Trustees is responsible for the investment of the pool of assets and will establish the policies for the investment of the pool of assets.

FREQUENTLY ASKED QUESTIONS (Cont.)

- **Are the Board of Trustees fiduciaries?**

- Yes. The Trustees of the IPOPIF are fiduciaries for the participants and beneficiaries of the Article 3 participating funds. They will discharge their duties with integrity and solely in the interest of the participants and beneficiaries. Everyone at the IPOPIF is dedicated the mission of providing a dignified retirement for our participants and their beneficiaries.

The Trustees and staff of the Illinois Police Officers' Pension Investment Fund will think strategically and will be continuously improving. We are laser-focused on investment excellence, which means achieving the best risk-adjusted returns possible through the prudent investment of contributions and investment income.

- **Who is on the Board of Trustees and how were they selected?**

There are nine members on the Board of Trustees. Five members represent active and retired law enforcement and are elected by the members of the downstate and suburban police pension funds. Three municipal members are elected by the municipalities and one member is appointed by the Governor. The members are:

- Vacant, Participant Representative
- Daniel Hopkins, Beneficiary Representative, Retired Officer, Collinsville Police Department
- Paul Swanlund, Participant Representative, Officer, Bloomington Police Department
- Elizabeth Holleb, Municipal Representative, Finance Director, City of Lake Forest
- Lee Catavu, Participant Representative, Officer, Aurora Police Department
- Brad Cole, Illinois Municipal League Representative, Executive Director of the Illinois Municipal League, Carbondale
- Michael Inman, Municipal Representative, Mayor, City of Macomb
- Mark Poulos, Beneficiary Representative, Retired Lieutenant, Rock Island Police Department
- Phil Suess, Municipal Representative, Mayor, City of Wheaton

- **How was it decided how many active and retired police officers would be on the board?**

The composition of the Board of Trustees was determined by the legislation that created the consolidated fund.

- **How often will there be elections for the Board of Trustees and how does one run for one of the positions?**

Trustees serve four-year terms of office that are staggered at two-year intervals. The election of trustees is governed by rules established by the Board of Trustees.

FREQUENTLY ASKED QUESTIONS (Cont.)**• Who is the Executive Director and how was he or she chosen?**

The Board of Trustees selected Richard A. White, Jr. as the interim Executive Director, in June 2020 after a competitive search process. Mr. White was appointed Executive Director in November 2021.

• Who is the Chief Investment Officer and how was he or she chosen?

Mr. Kent Custer was appointed as the Chief Investment Officer (CIO) in March 2021 after a nationwide search process. He joined the IPOPIF in May 2021.

• When will the Investment Policy be established?

The Board of Trustees is responsible for defining the institutional investment strategy for the long-term investing of the consolidated pool of assets.

• Are the books, records, accounts, and securities of the Fund audited by a certified public accountant?

Yes. In accordance with 40 ILCS 5/22B-125 the financial position of the Fund is audited at least annually.

• Will the Investment Policy prohibit investments in funds with ties to elected officials and/or their families?

The Investment Policy, as is the case with all IPOPIF policies, ensures that all actions and retention of service providers are conducted with the highest ethical standards and in accordance with their fiduciary responsibilities to act in the best interest of the members and beneficiaries of the Fund.

• Does the plan use outside investment consultants to assist in making decisions?

The Board of Trustees will rely on investment consultants and investment managers to provide expert advice in institutional investments.

• What other outside firms are employed by the IPOPIF?

The Board of Trustees has retained several service providers and vendors to assist the Fund in the administration and operation of the Fund. A complete list of these firms is available at the Fund's website, www.ipopif.org.

FREQUENTLY ASKED QUESTIONS (Cont.)

- **Why was the Chicago police pension plan not included in the IPOPIF?**

The legislation that created the consolidated funds included only the downstate and suburban police pensions funds known as Article 3 funds.

For further information please contact the Illinois Police Officer's Pension Investment Fund (IPOPIF) at info@ipopif.org or visit our website at www.ipopif.org May, 2023.