



Illinois Police Officers' Pension Investment Fund

June-July 2025 Newsletter

BUSY FISCAL YEAR 2025 COMES TO A CLOSE FOR THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

The past fiscal year, which ended on June 30, was another busy year for the Board of Trustees and staff of the Illinois Police Officers Pension Investment Fund (IPOPIF) with the last tranche of assets transitioned from 18 Article 3 funds, hiring four new investment managers and a private market investment consultant, the election of new Board of Trustees leadership and an expansion of staff to meet critical needs.

Investment Fund Update

Portfolio Performance

Based on preliminary information, the total fund was valued at \$13.7 billion as of June 30, returning 8.4% year-to-date (YTD) and 12.7% for the fiscal year (FY).

Investment Implementation

With the hiring of Albourne Partners as IPOPIF's private markets consultant at the June 13, 2025, Board meeting, the fund plans to implement private market investments and move toward long-term allocations over time. IPOPIF's long-term asset allocation designates 20% to private market investments including 7% to private equity, 5% to private credit, 5% to real estate, and 3% to infrastructure.

Active management has been implemented gradually since completing the initial transition of assets in 2022. In FY2025, IPOPIF funded active investments in emerging market debt, emerging market ex China equity, and private credit. An active U.S. small cap search was initiated in March and an active high yield debt search was initiated in June. Final Board interviews and selections are planned for September and December, respectively.

Valuation and Cost Rule for Article 3 Funds

The Valuation and Cost Rule, last amended by the Board of Trustees on September 13, 2024, provides that a “true-up” or final transfer allocation of all costs be performed based on the December 31, 2024, pro rata balance of each participant pension fund as compared to the consolidated December 31, 2024, balance of all participant pension funds.

The calculations made for Article 3 police pension funds resulted in small adjustments to each participant fund that are equitable, consistent with the Valuation and Cost Rule as well as consistent with equitable treatment as required by the Illinois Pension Code 40 ILCS 5/Art. 22B.

Staff calculated that from inception through December 31, 2024, a total of \$15,492,597 in costs and loan repayments were to be allocated across Article 3 participant police pension funds, representing approximately 12.25 basis points of their December 31, 2024, balances.

The rule calls for a separate calculation to be performed for investment manager fees which were allocated on a pro rata basis to each participant pension fund based on the time that a participant pension fund’s assets were invested by IPOPIF.

In accordance with Section B.2(c) of the Valuation and Cost Rule, balances due were charged interest at IPOPIF’s actual rate of return, calculated monthly and reduced to a daily rate for each month. Interest was charged through May 31, 2025.

The balances receivable or payable from both calculations plus interest were consolidated into one number for each participant fund and were provided to Northeast Retirement Services (NRS), the recordkeeper utilized by State Street Bank & Trust Company, the Fund’s custodian. The balance due or receivable for each participant pension fund appears on the June Monthly Statement Market Value Summary as “Adjustment” in the Current Period and Year-to-Date roll forward. The statement supplement that is provided at the back of the Monthly Report includes brief information regarding the adjustment.

Administrative Operations and Costs

From inception through June 30, 2024, administrative and operational expenses of IPOPIF, which includes all expenses other than Investment manager fees, are 13.5 basis points of the audited investment value as of June 30, 2024. While difficult to compare, IPOPIF administrative and operational expenses are significantly less than the total of those incurred by all participating Article 3 Funds.

IPOPIF’s fiscal budget for administration and operations is expected to be 3.7 basis points of the March 31, 2025, investment balance (unaudited). Budgeted investment manager fees for FY 2025 are 8.3 basis points for IPOPIF using March 31, 2025, investment balances (unaudited).

IPOPIF has conservatively budgeted its expenses and works diligently to control costs throughout the year. Budgeted expenses for fiscal years 2022 through 2024 were \$14,269,842 versus actual expenses of \$12,988,331.

General Investment Consultant Search

The Illinois Pension Code limits investment consultant contracts to a maximum of five years. In light of the Verus contract expiring in April 2026, the Board of Trustees voted during the June 13, 2025, meeting to issue a request for proposal (RFP) for a general investment consultant. Staff noted the strong collaboration and performance from Verus, and that they were welcome to bid for a new contract. During the past five years, IPOPIF has gone from no assets under management to more than \$13 billion and from passive management to an increasingly diversified portfolio.

Chief Financial Officer and Assistant Executive Director to Depart

Regina Tuczak, chief financial officer and assistant executive director, resigned in June to accept a position with Lake County as the Chief Financial Officer and Director of Finance. She will be leaving IPOPIF mid-July. The Board and staff of IPOPIF greatly appreciate all her hard work and dedication to the Fund as well as to the members and beneficiaries of the Article 3 police pension funds. Her contributions to the growth of the Fund through the transition and internalization of IPOPIF's financial operations during the past few years were outstanding.

General Legal Counsel Search Completed

Reimer, Dobrovolny & LaBardi, PC, the law firm that has served as IPOPIF's general legal counsel since May 2020, was rehired by the board at the June meeting following an RFP search process that was initiated on March 17, 2025, and ended on April 28, 2025.

On the Road

IPOPIF Executive Director Richard White was invited to review the IPOPIF consolidation and transition of assets as a member of a panel, "How collaboration has fared elsewhere," at a public pension symposium sponsored by DG Publishing in Birmingham, UK in May. The symposium was organized around the overarching topic concerning the pooling of investment assets in pension funds in England and Wales, which occurs under the auspices of the Local Government Pension Scheme (LGPS).

Earlier this year, the UK government proposed significant changes to the pooling system for the LGPS funds aimed at reforming LGPS asset pools, increasing local investment and strengthening governance. This symposium was specifically designed to address the "uncertainty surrounding the future governance structures of the LGPS."

During his presentation Mr. White discussed the events leading to the consolidation and the challenges associated with the relatively short timeline to prepare and implement the legislation. Similarly, the UK government's proposed changes allow for a very short planning calendar for the LGPS.

The audience was especially interested and stunned to learn about the funded status of the Illinois public pension funds – especially since most of the LGPS are at least 90 percent funded and ‘most LGPS funds are expected to report a surplus,” this year.

Mr. White was invited to record a 10-minute video on the history of IPOPIF. He gave an informative overview of IPOPIF from the legislative process to today. You can view the video [here](#).

IPOPIF Blotter

Do you have photos you’d like to see posted on the IPOPIF [Blue Line Mugshot](#) page? We are always on the lookout for photos from members of our 357 Article 3 pension plans that are a part of IPOPIF to add. Please send photos in jpeg format to info@ipopif.org.

Monthly investment reports through June 2025 for each of the Article 3 funds are posted to the IPOPIF website [here](#). IPOPIF monthly investment reports are available [here](#).

As the consolidated asset pool that exists for the exclusive purpose of protecting and investing the assets of the pension funds covering police officers serving and protecting all downstate and suburban Illinois municipalities, we want our participants and their beneficiaries to know that they should always feel free to reach out to us at info@ipopif.org.

As noted in previous newsletters and above, key investment information is posted to the IPOPIF website and is reviewed and discussed at the IPOPIF Board meetings. Next Board of Trustees meeting is Friday, September 12, 2025, at 9 am at the Pere Marquette Hotel in Peoria. Committees of the Board of Trustees are scheduled to convene in the afternoon shortly after the Board of Trustees meeting is concluded.

Interested individuals may attend the meeting in person or via Zoom. The link to the Zoom call is included in the [meeting agendas](#) which also are posted on our website. Board of Trustee 2025 meeting dates and times are posted [here](#).

Links to Key Resources

- [Participant monthly statements](#)
- [Monthly financial reports](#)
- [Monthly and quarterly investment reports](#)
- [Meeting Calendar](#)