Illinois Police Officers' Pension Investment Fund

Investment Update
As of 9/4/26

Performance Update

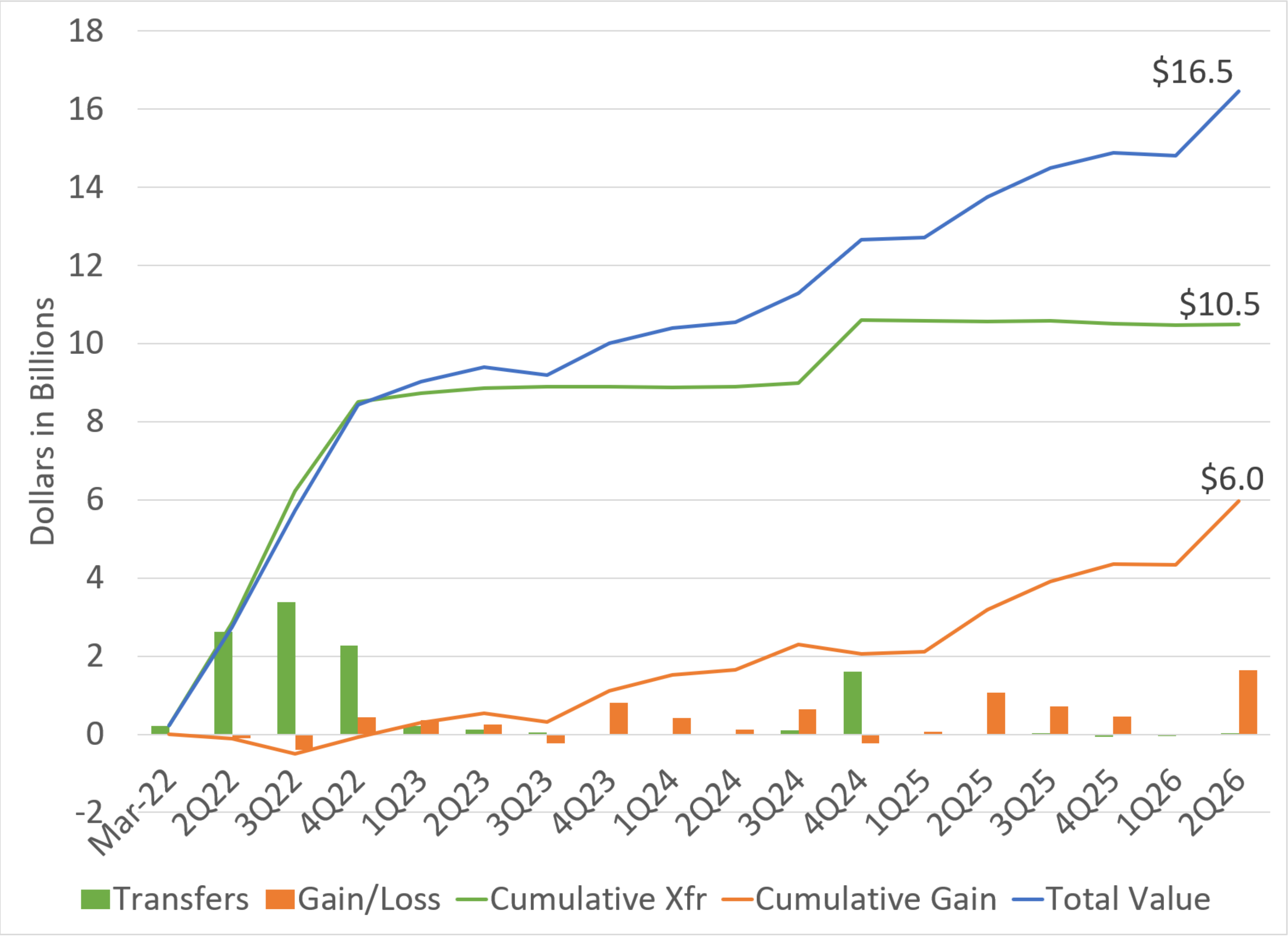
	July '26	FY27 July – July '26	3 years ending July '26	Since Incept. 4/22
IPOPIF Pool	-0.3	-0.3	13.9	9.4
Policy Benchmark	-0.1	-0.1	13.2	9.0
Broad Benchmark	-0.3	-0.3	13.4	8.7

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 returned approximately 1.6% in August.

IPOPIF Growth



FY26 Performance Commentary

- **3Q25** – Following a strong 2Q, but a muted July, stocks rallied in August and into September on strong 2Q earnings and a Fed rate cut. The portfolio gained 5.2% for the quarter, led by stocks (+7.1%), especially U.S. Small Caps (+12.3%), playing catch up from prior quarters.
- **4Q25** – 3Q momentum carried into 4Q, driving a 3.1% gain for the quarter. International stocks led the charge. International Developed Market stocks were up 5.2% vs. 2.4% for US Large Cap (Russell 1000). Emerging Market Equity ex China posted a 12.0% return for the quarter, bringing 2025 returns to 40.3%. ARGA gained 52.5% in 2025 vs. the benchmark index at 34.6%.
- **1Q26** – The portfolio gained 5.6% in the first two months of 2026 but gave it back in March (-5.5%) as the Iran war and higher energy prices dampened economic enthusiasm. Emerging market equity was volatile but still led for the quarter and fiscal year. Rising interest rates are weighing on fixed income returns.
- **2Q26** – Stocks came roaring back in 2Q as the markets digested geopolitical events and shifted from defense to offense. The portfolio gained 11.0% in the final quarter of FY26, pushing the FY26 return to 20.1%. All asset classes posted positive returns for the quarter. EME ex China (+40.7%) led the pack followed by US Small Cap (+25.9%).

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** – Based on preliminary data, the Fund was up approximately 1.6% in August as strong earnings reports bolstered stocks. The energy and technology sectors led the S&P 500 for the month.

12-Month Returns as of 6/30/26

Style	Manager - 1 year	Return	Index	Excess
value	ARGA Emerging Mkt Ex China Equity	80.7%	63.1%	17.6%
growth	Wm Blair Emerging Mkt ex China Growth Fund	78.2%	57.3%	20.9%
	RhumbLine Russell 2000 Index	40.7%	40.8%	-0.1%
value	LSV International Small Cap Value Equity Fund	25.3%	16.9%	8.3%
	SSgA REITs Index	22.5%	22.6%	-0.1%
	RhumbLine Russell 1000 Index	21.9%	22.0%	-0.1%
	SSgA Non-US Developed Index	21.4%	21.0%	0.4%
	Acadian ACWI ex US Small-Cap Fund	20.0%	19.8%	0.1%
	SSgA EMD Hard Index Fund	11.8%	11.8%	0.0%
growth	WCM International Small Cap Growth Fund	7.6%	19.8%	-12.3%
	SSgA High Yield Corporate Credit	6.0%	5.7%	0.3%
	Aristotle Institutional Loan Fund	5.4%	4.3%	1.1%
	Principal USPA	4.9%	3.5%	1.4%
	Ares Institutional Loan Fund	4.2%	4.3%	-0.1%
	SSgA Core Fixed Income Index	3.8%	3.8%	0.0%
	SSgA US TIPS Index	3.6%	3.6%	0.1%
	SSgA Short-Term Gov't/Credit Index	3.1%	3.1%	0.0%
	SSgA US Treasury Index	2.7%	2.7%	0.0%

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

Active Manager Value Add – 6/30/26

month =>	2026-06					Fee %
	Start	End $M	GVA	Fees	NVA	of GVA
Acadian	Jan 2024	422	32,446,360	4,829,512	27,616,848	14.9%
LSV	Mar 2024	216	38,968,136	3,335,453	35,632,683	8.6%
WCM	Mar 2024	214	(7,075,107)	2,564,853	(9,639,960)	Neg GVA
ARGA	Dec 2024	689	140,947,789	5,362,446	135,585,343	3.8%
Wm Blair	Dec 2024	661	88,271,443	2,985,064	85,286,379	3.4%
Capital Grp.	Nov 2024	264	3,020,367	1,176,354	1,844,013	38.9%
Ares	Mar 2024	153	802,831	747,346	55,485	93.1%
Aristotle	Mar 2024	309	3,682,970	1,843,850	1,839,121	50.1%
Hood River	Nov 2025	303	41,073,253	1,384,932	39,688,321	3.4%
Reinhart	Nov 2025	291	10,772,364	834,047	9,938,317	7.7%
Total		3,523	352,910,406	25,063,857	327,846,549	7.1%

Source: Investment Staff Calculations

NAV - Net Asset Value

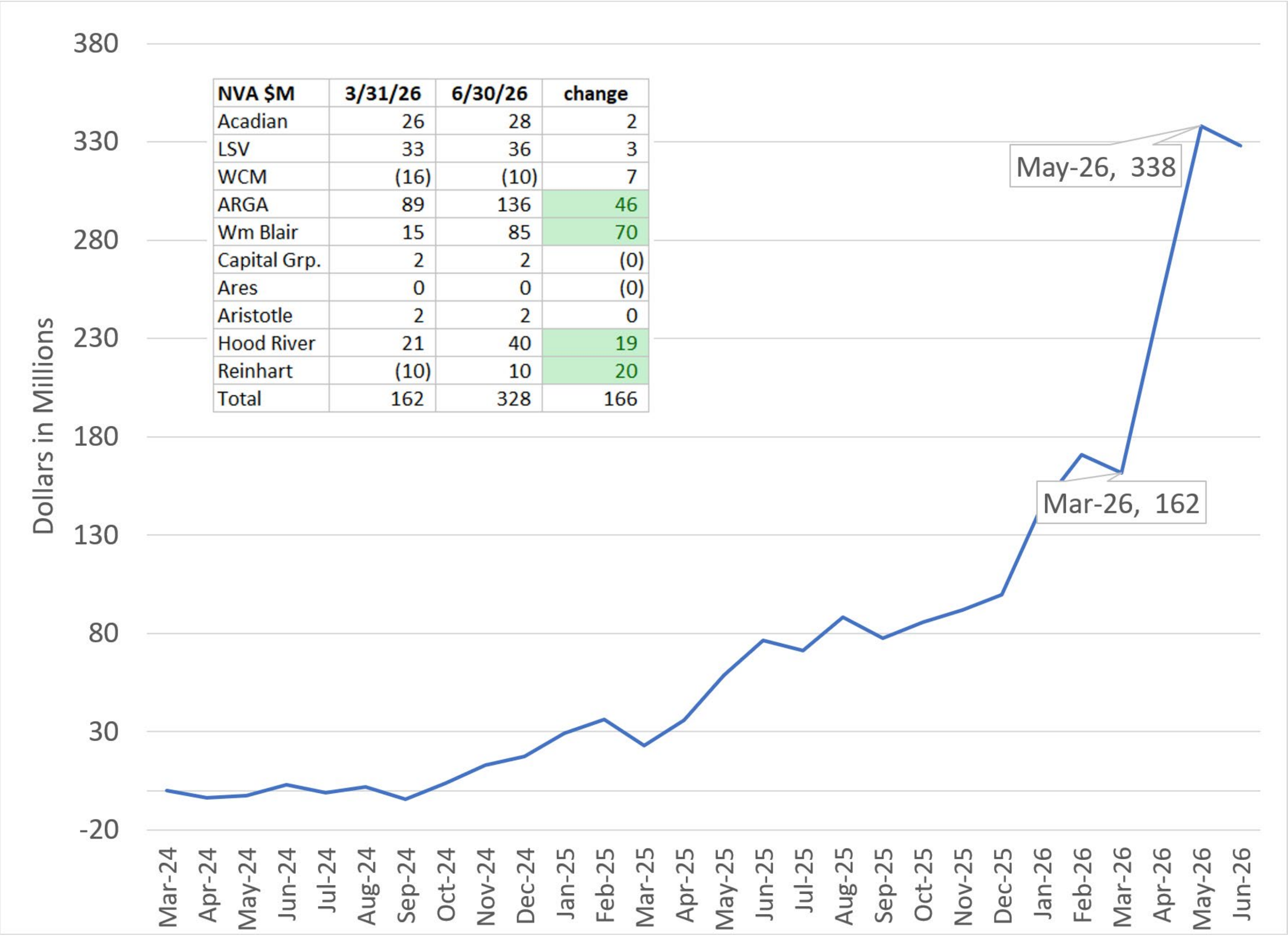
GVA - Gross Value Add (before fees)

NVA - Net Value Add (after fees)

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

Active Manager Value Add History

NVA $M	3/31/26	6/30/26	change
Acadian	26	28	2
LSV	33	36	3
WCM	(16)	(10)	7
ARGA	89	136	46
Wm Blair	15	85	70
Capital Grp.	2	2	(0)
Ares	0	0	(0)
Aristotle	2	2	0
Hood River	21	40	19
Reinhart	(10)	10	20
Total	162	328	166



IPOPIF Expense Load

Quarterly	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26*
Admin ops + BOT	390,834	430,024	551,065	1,012,441	466,507	418,502	621,613	1,065,295
Investment Ops	225,651	419,849	554,415	1,058,941	361,871	695,491	538,359	1,168,917
IM Fees invoiced	1,016,759	1,281,220	1,573,899	1,784,367	1,864,498	2,399,904	2,908,706	3,270,732
IM Fees paid from fund	767,351	1,035,520	1,496,971	1,746,452	2,172,343	2,545,668	2,497,906	2,607,997
Total	2,400,595	3,166,612	4,176,351	5,602,201	4,865,219	6,059,566	6,566,584	8,112,942
Ending Fund NAV	11,280,824,565	12,648,678,759	12,702,119,945	13,745,843,365	14,487,544,975	14,870,144,122	14,797,395,577	16,455,537,925

Trailing Four Quarters	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026
Admin ops + BOT				2,384,364	2,460,037	2,448,515	2,519,063	2,571,917
Investment Ops				2,258,856	2,395,076	2,670,718	2,654,662	2,764,638
IM Fees invoiced				5,656,245	6,503,984	7,622,669	8,957,475	10,443,840
IM Fees paid from fund				5,046,294	6,451,286	7,961,435	8,962,370	9,823,915
Total				15,345,760	17,810,383	20,703,336	23,093,570	25,604,310
Average Fund NAV				12,594,366,659	13,396,046,761	13,951,413,102	14,475,232,010	15,152,655,650

Expense Load (annualized)	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026
Admin ops + BOT				0.019%	0.018%	0.018%	0.017%	0.017%
Investment Ops				0.018%	0.018%	0.019%	0.018%	0.018%
IM Fees invoiced				0.045%	0.049%	0.055%	0.062%	0.069%
IM Fees paid from fund				0.040%	0.048%	0.057%	0.062%	0.065%
Total				0.122%	0.133%	0.148%	0.160%	0.169%

*Note that June 2026 financials are in draft form.

- This exhibit summarizes expenses and calculates the fee load on average NAV for the trailing four quarters. IM fees are expected to increase substantially with the implementation of active management, especially private markets. A Verus Asset Allocation presentation in March 2024 estimated the investment manager fee load of 0.49% for the long-term asset allocation. This would equate to $78.4 million based on $16 billion NAV. We expect active management to increase fund returns NET of fees and expenses.

Asset Allocation – 1

	Current			Target			Variance	
Account	**$M**	**%**		**$M**	**%**		**$M**	**%**
Growth	**10,048**	**60.3%**		**9,657**	**58.0%**		**390**	**2.3%**
RhumbLine US Large	3,833	23.0%		3,830	23.0%		4	0.0%
US Small Cap (3 mgrs)	892	5.4%		833	5.0%		60	0.4%
RhumbLine US Small	340	2.0%		333	2.0%		7	0.0%
Hood River	267	1.6%		250	1.5%		17	0.1%
Reinhart	285	1.7%		250	1.5%		35	0.2%
SSGA Non-US Developed	3,175	19.1%		3,164	19.0%		11	0.1%
Intl. Small Cap (3 mgrs)	886	5.3%		833	5.0%		53	0.3%
Acadian	449	2.7%		416	2.5%		33	0.2%
LSV (1 day lag)	236	1.4%		208	1.25%		28	0.2%
WCM (monthly)	200	1.2%		208	1.25%		(8)	0.0%
EME ex China	1,262	7.6%		999	6.0%		262	1.6%
ARGA (monthly)	672	4.0%		500	3.00%		172	1.0%
William Blair	590	3.5%		500	3.00%		90	0.5%
Lexington Priv. Eq. (Qtrly)								
Real Return	**921**	**5.5%**		**999**	**6.0%**		**(78)**	**-0.5%**
SSGA REITS	691	4.1%		666	4.0%		25	0.1%
PRINCIPAL USPA	231	1.4%		333	2.0%		(102)	-0.6%

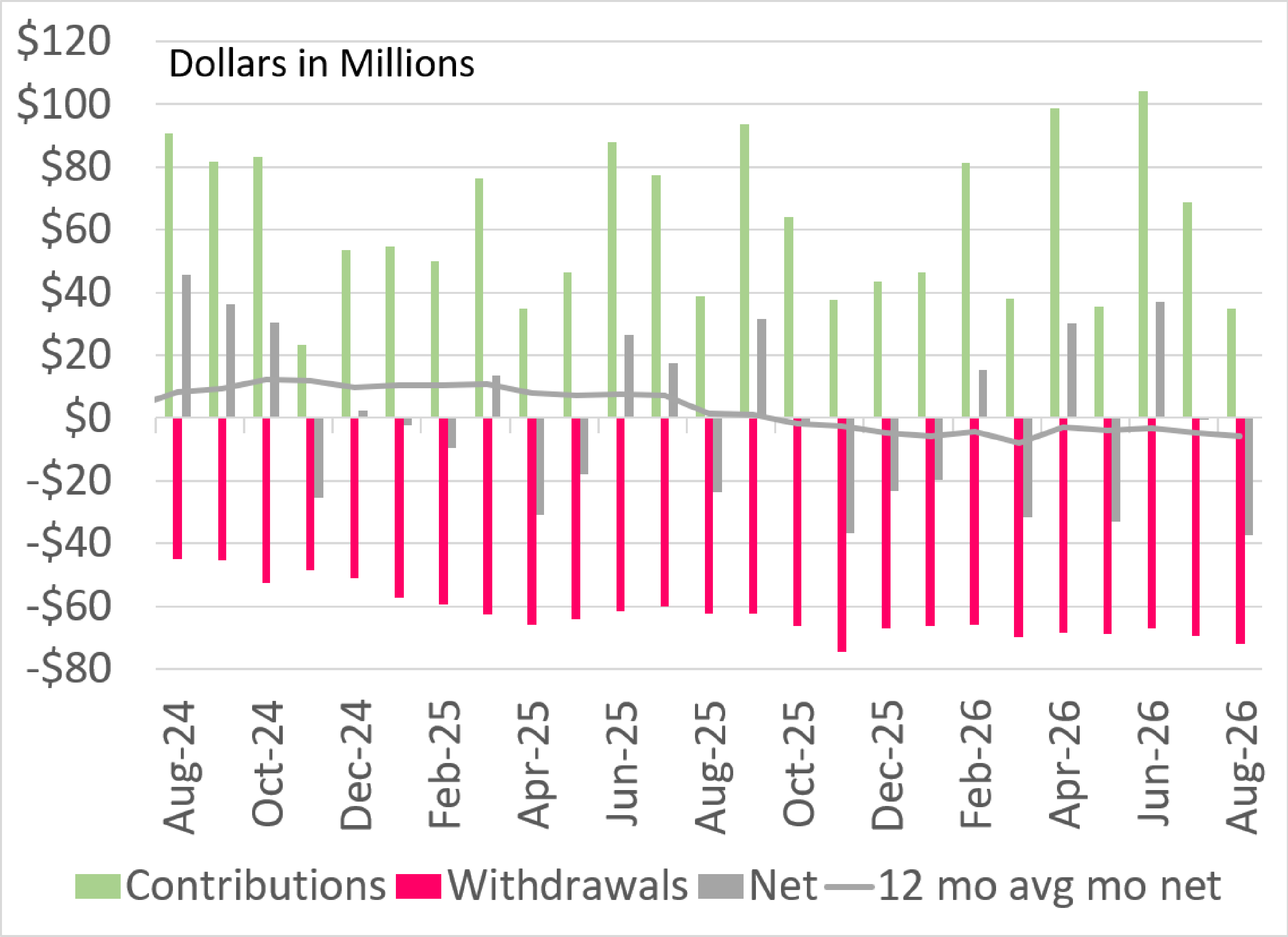
Asset Allocation - 2

Account	Current			Target			Variance	
	$M	%		$M	%		$M	%
Income	**2,483**	**14.9%**		**2,664**	**16.0%**		**(182)**	**-1.1%**
High Yield (2 mgrs)	638	3.8%		666	4.0%		(28)	-0.2%
SSGA High Yield	323	1.9%		333	2.0%		(10)	-0.1%
MetLife	315	1.9%		333	2.0%		(18)	-0.1%
EM Debt (2 mgrs)	962	5.8%		999	6.0%		(37)	-0.2%
Cap Group EMD	266	1.6%		250	1.5%		17	0.1%
SSGA EM Debt	696	4.2%		749	4.5%		(53)	-0.3%
Bank Loans (2 mgrs)	466	2.8%		500	3.0%		(34)	-0.2%
Ares (monthly)	154	0.9%		167	1.0%		(12)	-0.1%
Aristotle (monthly)	312	1.9%		333	2.0%		(21)	-0.1%
Oaktree Priv. Cred. (Qrtly)	417	2.5%		500	3.0%		(83)	-0.5%
Risk Mitigation	**3,199**	**19.2%**		**3,330**	**20.0%**		**(131)**	**-0.8%**
Cash Accounts	188	1.1%		167	1.0%		21	0.1%
SSGA ST GOV-CREDIT	1,622	9.7%		1,665	10.0%		(43)	-0.3%
SSGA TIPS	490	2.9%		500	3.0%		(10)	-0.1%
SSGA US TREASURY	444	2.7%		500	3.0%		(55)	-0.3%
SSGA CORE BONDS	454	2.7%		500	3.0%		(45)	-0.3%
Legacy Transition Bonds	0.877	0.0%		-	0.0%		1	0.0%
Total Investment Pool	**16,651**	**100.0%**		**16,651**	**100.0%**			

Funding and Rebalancing

- 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 August 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 August 2026, we have redeemed $160 million from each account ($360 million total).

Monthly Participant Fund Cash Flow



Investment Updates

- Lexington private equity capital call expected in Sept.
- Partners Group Private Infrastructure contracting underway.
  - Anticipate closing in 4Q26 followed by initial capital calls in late 2026 or early 2027.
- Private Real Estate search on track.
  - Semifinalist interviews with staff/Albourne in early August.
  - Board interviews on Sept. 15. Selection at subsequent meeting(s).
- Private Credit search on track.
  - Strong response to RFI by August 21 deadline.
- WCM performance has struggled for the past year, but staff and Cerity maintain conviction.
  - Tracking error is consistent with historical profile.
  - Growth profile has been out of favor.
  - Cerity (Verus) provided detailed discussion and memo in March 2026.
- Asset Allocation and IPS review moved to October due to a heavy September agenda. No big moves contemplated.
- Strategic analysis and planning continue.
- Investment Officer recruiting completed with hiring of Ed Bush.

Board Agenda Projection

- September 15, 2026
  - Private Real Estate Interviews
  - Quarterly Performance
  - ~~Asset Allocation Study and IPS review and revisions~~
- October 16, 2026
  - Private Real Estate Selection
  - Asset Allocation Study and IPS review and revisions
  - NTA & Strategic Plan (Qrtly)
- December 11, 2026
  - Quarterly Performance
  - Private Market Strategic Plan?
- January 2027
  - Private Credit Interviews
  - NTA & Strategic Plan (Qrtly)
- March 2027
  - Private Credit Selection
  - Quarterly Performance

For discussion and planning purposes. Subject to revision.