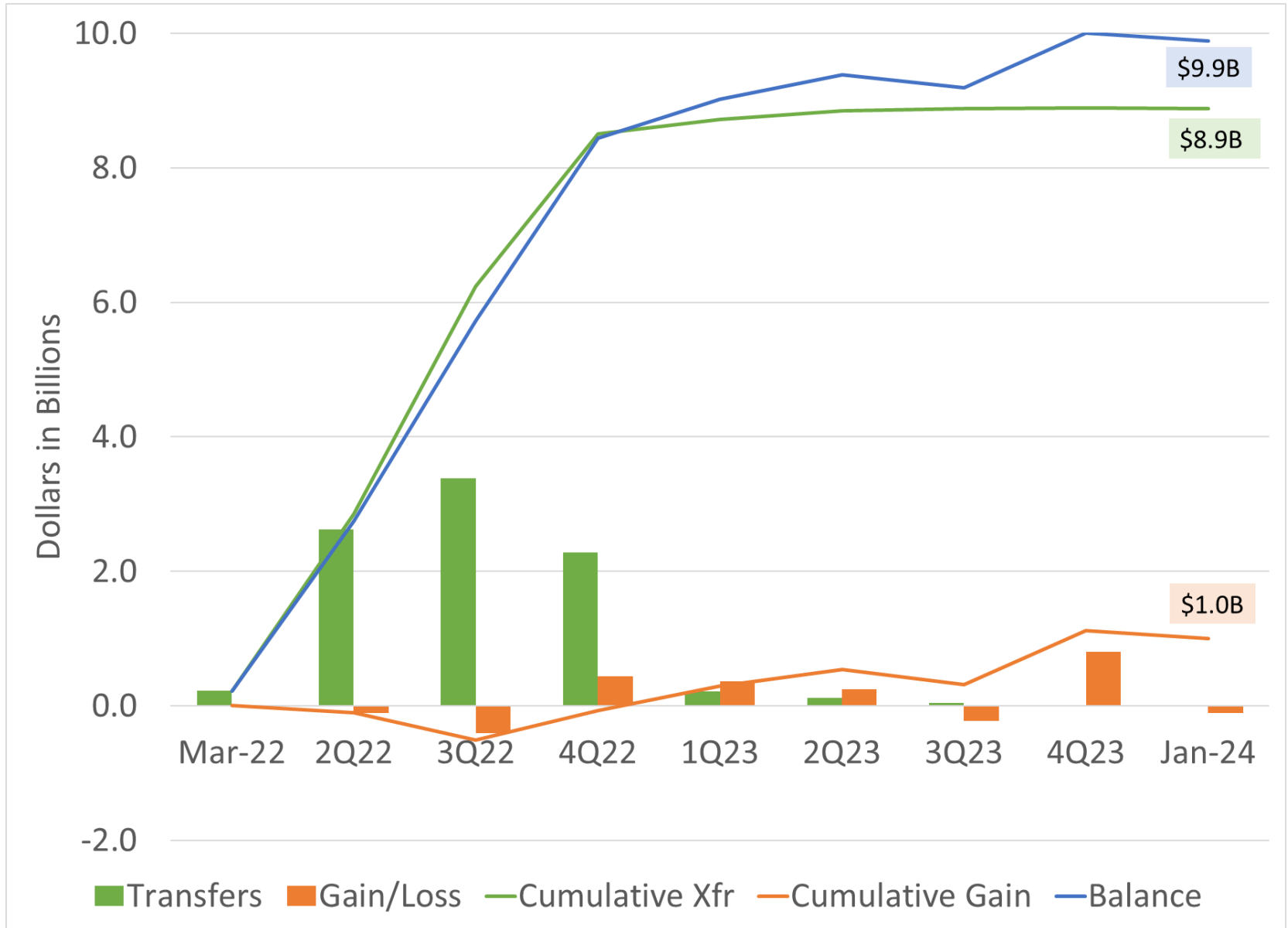


Investment Update

As of February 29, 2024

IPOPIF Growth

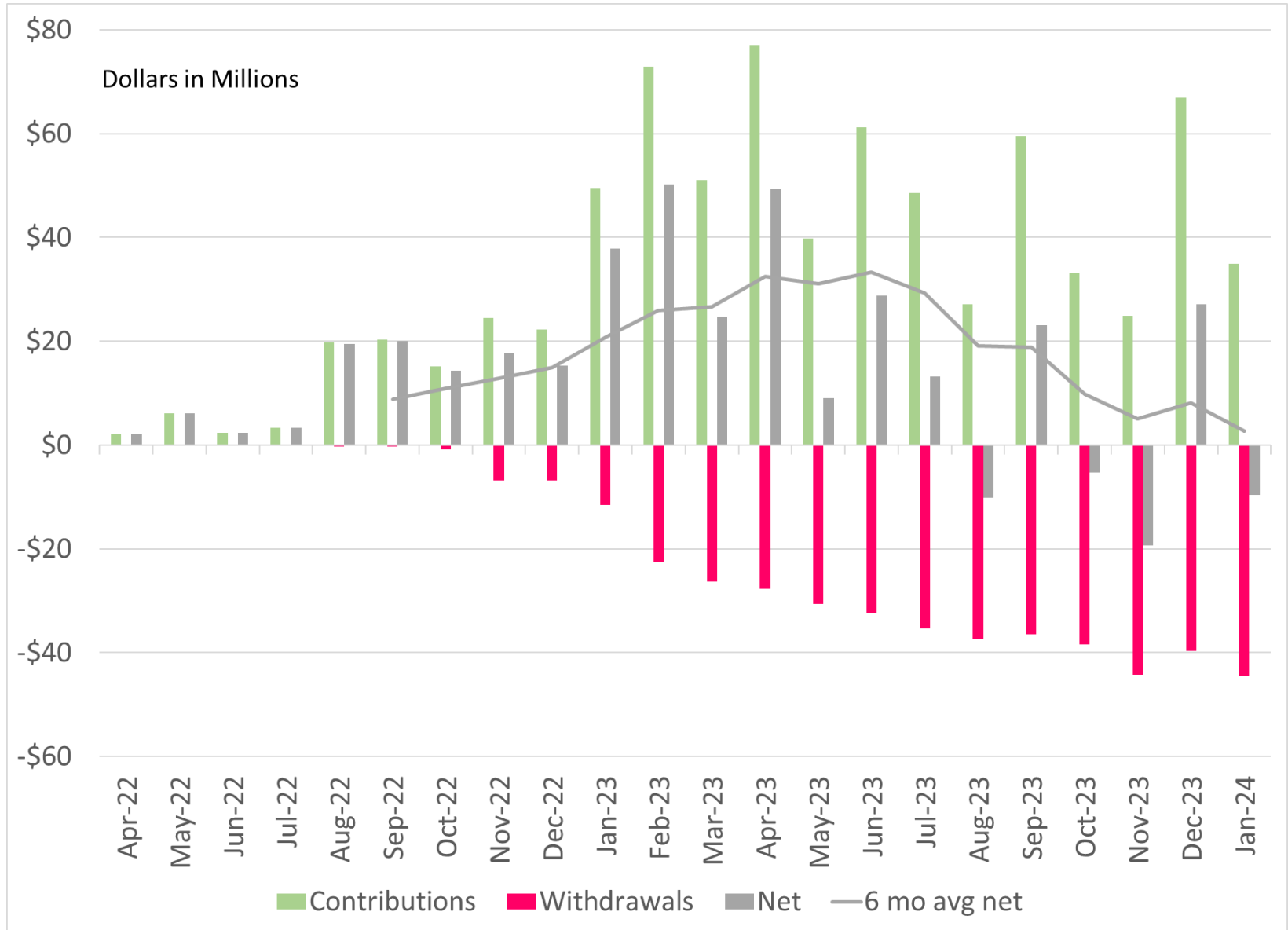


Performance Summary

	2Q22	FY23	7/23 – 1/24	4/22 – 1/24
IPOPIF Pool	-10.4%	+8.8%	+5.7%	+1.7%
Policy Benchmark	-10.4%	+8.8%	+6.0%	+1.9%
Broad Benchmark	-13.6%	+11.0%	+6.2%	+1.0%
Actuarial Assumption		+6.8%		+6.8%

- IPOPIF Performance is net of 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.
- Returns for periods longer than one year are annualized.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year

Monthly Participant Fund Cash Flow



2024 Transition Planning

- Executive staff meeting and preparing documents and communications.
- Anticipate notification package distribution in early March.
- Immediate Goal: All Article 3 Board actions completed during second quarter meetings.
 - Appoint Authorized Agents
 - Adopt local cash management policy (optional)
 - Appoint Account Representatives (for cash mgt.)

Asset Allocation 2/26/24

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Growth	5,816	57.5%	5,868	58.0%	(51)	-0.5%
RhumbLine US Large	2,322	23.0%	2,327	23.0%	(5)	0.0%
RhumbLine US Small	515	5.1%	506	5.0%	9	0.1%
SSGA Non-US Developed	1,794	17.7%	1,821	18.0%	(27)	-0.3%
International Small Cap	492	4.9%	506	5.0%	(14)	-0.1%
SSGA EM Equity	693	6.9%	708	7.0%	(15)	-0.1%
Income	1,603	15.8%	1,619	16.0%	(16)	-0.2%
SSGA High Yield	994	9.8%	1,012	10.0%	(18)	-0.2%
SSGA EM Debt	609	6.0%	607	6.0%	2	0.0%
Bank Loans	0	0.0%	-	0.0%	0	0.0%
Inflation Protection	853	8.4%	910	9.0%	(58)	-0.6%
SSGA TIPS	280	2.8%	303	3.0%	(24)	-0.2%
SSGA REITS	412	4.1%	405	4.0%	7	0.1%
PRINCIPAL USPA	161	1.6%	202	2.0%	(41)	-0.4%
Risk Mitigation	1,844	18.2%	1,720	17.0%	124	1.2%
Cash Accounts	145	1.4%	101	1.0%	44	0.4%
SSGA ST GOV-CREDIT	1,323	13.1%	1,315	13.0%	8	0.1%
SSGA CORE BONDS	376	3.7%	303	3.0%	73	0.7%
Transition account	0.101	0.0%	-	0.0%	0	0.0%
Total Investment Pool	10,117	100.0%	10,117	100.0%	-	0.0%

All asset class weights are within Investment Policy limits.

Investment Structure

Manager	Mandate	Weight	Manager Benchmark*	Vehicle**
Growth (Stocks)	Growth (Stocks)	58.00%		
RhumbLine	US Large Passive	23.00%	Russell 1000	SMA
RhumbLine	US Small Passive	5.00%	Russell 2000	SMA
SSGA	International Passive	18.00%	MSCI World ex US	CIT
International Small Cap (ISC)				
SSGA	Passive ISC, legacy	0.00%	MSCI World ex US SC	CIT
Acadian	Core ISC	2.50%	MSCI ACWI ex-US Small Cap-G	LLC
LSV	Value ISC	1.25%	S&P Developed ex-US SmallCap	LP
WCM	Growth ISC	1.25%	MSCI ACWI ex-US Small Cap-G	LP
SSGA	Emerging Mkt. Passive	7.00%	MSCI Emerging Mkts. ND	CIT
Income (Bonds)	Income (Bonds)	16.00%		
SSGA	High Yield Passive	7.00%	BB US Corporate High Yield	CIT
SSGA	Emerging Mkt. Debt Passive	6.00%	JPM EMBI Global Diversified	CIT
Bank Loans (BL)				
Aristotle	Core BL	2.00%	CS Leveraged Loan Index	LP
Ares	Opportunistic BL	1.00%	CS Leveraged Loan Index	LP
Inflation Protection	Inflation Protection	9.00%		
SSGA	US Tips Passive	3.00%	BB US TIPS 0-5 Years	SMA
SSGA	REITs Passive	4.00%	Dow Jones US Select REIT	CIT
Principal	Real Estate	2.00%	NFI-ODCE	Open-End Fund
Risk Mitigation	Risk Mitigation	17.00%		
SSGA	Cash	1.00%	\$1	Money Mkt MF
SSGA	Short-Term Bonds Passive	13.00%	BB 1-3 year Gov/Credit	CIT
SSGA	Core Bonds Passive	3.00%	BB US Aggregate	CIT
Total		100.00%		

*BB: Bloomberg, JPM: JP Morgan; NFI-ODCE: National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open End Diversified Core Equity

**SMA: Separately Managed Account, CIT: Commingled Investment Trust; LLC: Limited Liability Company; LP: Limited Partnership

Active Manager Funding Status

International Small Cap

- Acadian - \$65 million each on 1/30/24 and 2/22/24 (\$130 million total). ~\$120 million to be funded in March
- LSV & WCM - \$60 million to each strategy to be funded on 3/1/24. ~\$65 million to be funded to each strategy in April
- Funding source: SSGA International Small Cap Index Fund

Bank Loans

- \$50 million to Ares and \$100 million to Aristotle to be funded on 3/1/24. Similar amounts to be funded in April
- Funding Source: SSGA High Yield Index Fund

Investment Manager Searches

	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Asset Allocation & IPS Review						
Public Equity (Barb Meyer)						
International Small Cap	=>					
Emerging Market Equity						
USA Small Cap						
Credit Managers (Steve Yoon)						
Bank Loans	=>					
Emerging Market Debt						
High Yield Debt						

- Public market searches on track from October '23 planning calendar
- Key phases: Education => universe and structure analysis => RFP search process => Board approval => final contracting => funding
- Private market planning impacted by personnel and bandwidth. CIO evaluating recruiting and potential interim actions.

Key Investment Initiatives (1)

Initiative	Status
Investment Staff Recruitment	Under CIO evaluation.
Investment Policy Review	Revisions adopted at 2/9/24 Board meeting.
Asset Allocation Review	Review and recommendations to be presented to the Board on 3/8/24
Develop long-term investment implementation plan	Strategic Goals and Objectives approved at October 2023 Board meeting. Building out project management application with detailed steps with timelines and dependencies.

Key Investment Initiatives (2)

Initiative	Status
International Equity Small Cap search	Contracting completed. Funding incrementally January – April.
Bank Loan Manager Search	Contracting completed. Funding incrementally in March and April.
Emerging Market Debt Manager Search	Board education on 1/19/24. Staff/Verus completed universe and structure review. Search request to Board in on March 8. Selection targeted for Sept. 2024.
Emerging Market Equity Search	Action plan and timeline under development. Board education in March. Weight and structure may be dependent on Asset Allocation study. Search request anticipated for June Board meeting.
Private Market Planning	Consultant education in June 2023. Preliminary investment plan targeted for March 2024. CIO reengaging. Recruiting dependency.

Key Investment Initiatives (3)

Initiative	Status
Develop plan for addressing non-transferrable assets	Working with Verus and Counsel to evaluate IPOPIF requirements and to develop a framework for resolving non-transferable assets.
Transition Planning	Board approved 2024 transition plan on 2/9/24. Staff finalizing documentation and timing.
Investment Communications	Naperville Stakeholder meeting on February 21. IGFOA panel on March 6.
Develop compliance review and reporting matrix	Completed review of source documents to capture all requirements. Developing review and reporting structure.