

Transition Status Update
IPOPIF Board Meeting
Friday, June 10, 2022

Transfer Schedule

Date	# Funds	Total		~\$ million	Total
March 1	14	14		\$220	\$220
April 1	18	32		\$440	\$660
May 2	14	46		\$340	\$1,000
June 1	26	72		\$770	\$1,770
June 24*	50	122		\$1,689	\$3,459
August 1**	51	173		\$1,378	\$4,837
September 1	9	182		\$326	\$5,163
October 3	1	183		\$10	\$5,173
November 1	1	184		\$1	\$5,174
TBD	174	358		\$4,680	\$9,854
* reflects funds in process for June 24.					
** Transfers after June 30 are subject to Board approval					

Transition Commentary

- Gaining experience with legacy investment managers and custodians, but
- Every fund transfer is a unique event
- Accepting follow-on cash contributions
- Implementing electronic (eCFM) cash transfers
 - User submissions => Review and approval => Account access => actual transfers
 - No electronic transfers yet

IPOPIF asset transition status update

Objective:

Illinois Police Officers' Investment Fund (IPOPIF) aims to transfer all Article 3 downstate and suburban police pension plans, totaling over \$9 billion in assets, into one statewide investment asset pool by June 30, 2022, while maintaining compliance with 40 ILCS 5/Art. 22 B.

Tranche	Key accomplishments since 5/13/2022
May 2 nd	<ul style="list-style-type: none"> Assets transitioned to target allocation Post-transfer reconciliations delivered to member funds
June 1 st	<ul style="list-style-type: none"> 27 funds transferred assets totaling ~\$680 million increasing total assets at IPOPIF to ~\$1.70 billion across 65 funds
June 24 th	<ul style="list-style-type: none"> Received critical material to transfer assets from 53 funds Developed and delivered CIAL version 1 to member funds
August 1 st	<ul style="list-style-type: none"> Pursuing critical material to transfer member funds
Fund Admin	<ul style="list-style-type: none"> Cash management solution onboarding completed for some funds across the April 1st, May 2nd, and June 1st tranches April month-end reporting delivered to member funds

Below is a summary of the key metrics identified for the overall asset transition.

Key Metric ¹	Transferred	June 24 th Tranche	August 1 st Tranche	Future Tranches ²	Total remaining funds
Funds	65 ³	65	51	169	285
Ex. A submitted	N/A	53/65	12/51	26/169	91/285
Ex. B submitted	N/A	46/65	11/51	13/169	70/285
Ex. A & asset file submitted	N/A	53/65	12/51	26/169	91/285

Key success factors

- Legacy custodian contact and collection of asset holding files
- Asset holding file completeness validation prior to transfer
- Exhibit A receipt from member funds
- Cash management solution onboarding and training support
- Certified investment asset list process execution
- Post-transfer reconciliation process execution
- Month-end accounting close execution and report delivery

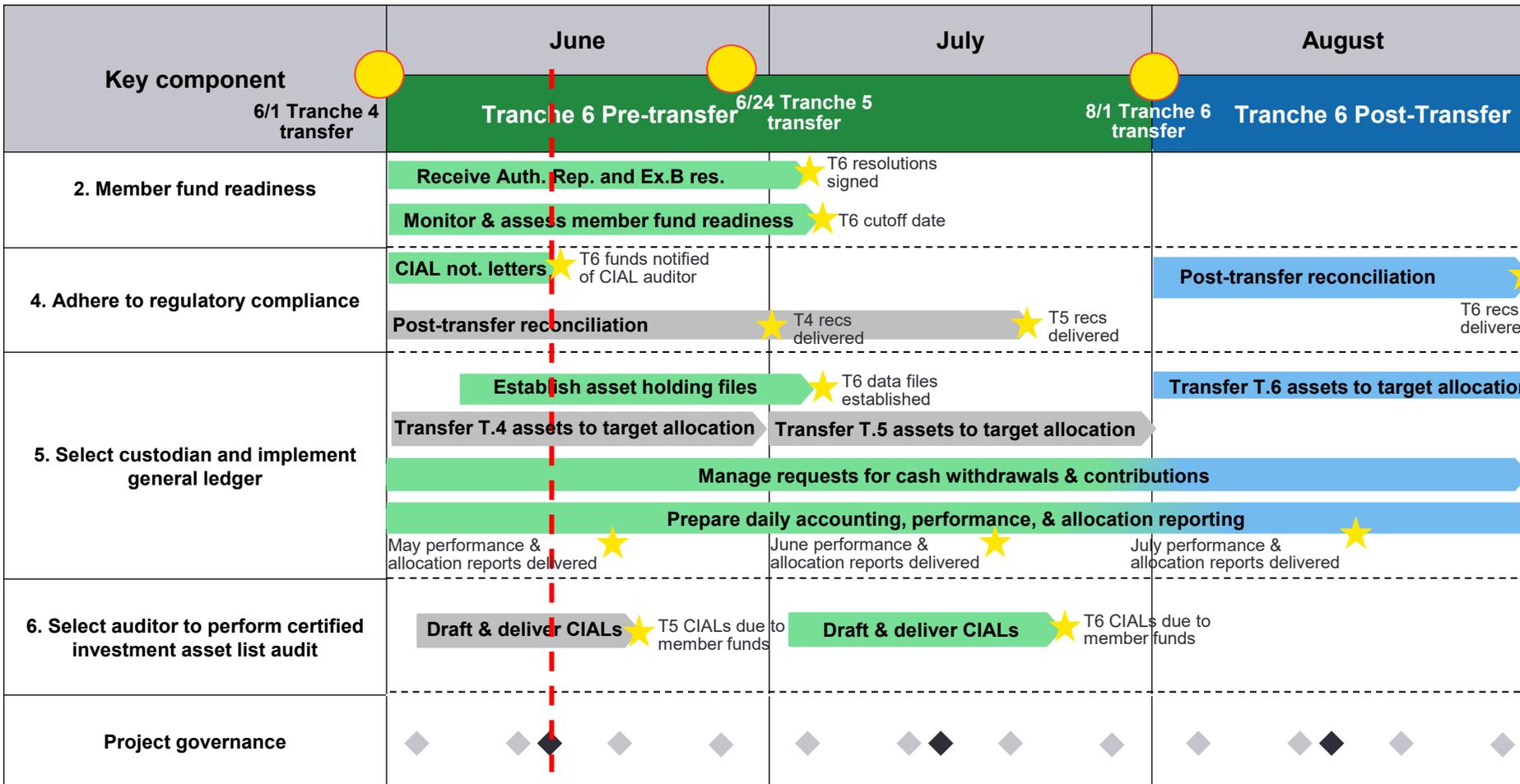
Trends

- Number of funds providing critical material to transfer assets increasing as a result of the court ruling
- IPOPIF expects to increase by \$2.42 billion and 80 funds by end of June
- Number of legacy custodians familiar with the asset transfer process due to participation in earlier tranches increasing
- Understanding of individual legacy custodian requirements to transfer assets is increasing
- Member funds who transferred on March 1st and retained 90 days of cash on hand may begin requesting cash withdrawals from the cash management solution

Asset transition key components critical milestones timeline

Jun – Aug

The GANTT chart below covers the key components* and critical milestones for June 1st, June 24th and, August 1st tranches with a focus on August 1st tranche activities. Additionally, key focus areas for IPOPIF staff are identified.



Key focus areas for June 1st, June 24th August 1st tranches

June

- Tranche 4 asset transfer 6/1
- Tranche 4 post-transfer reconciliation execution 6/2 – 6/30
- Tranche 4 asset transition to target allocation oversight 6/1 -6/30
- Tranche 5 CIAL execution 6/6 – 6/17
- Tranche 6 notification of CIAL auditors 6/14
- Deliver May month-end reporting to Article 3 funds 6/14
- Tranche 5 asset transfer 6/24

July

- Tranche 5 post-transfer reconciliation execution 6/27 -7/24
- Tranche 6 CIAL execution 7/11-7/22
- Tranche 5 asset transition to target allocation oversight 6/27 – 7/29
- Deliver June month-end reporting to Article 3 funds TBD
- Tranche 7 notification of CIAL auditors TBD

August

- Transfer assets 8/1
- Tranche 6 asset transition to target allocation oversight 8/5 -8/31
- Tranche 6 post-transfer reconciliation execution 8/1 – 8/31
- Deliver July month-end reporting to Article 3 funds TBD

*Key components 1, 3, 7, and 8 have been completed in previous months.

Investment Update
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Performance Summary

	March	April	
Overall Estimate*	0.57%	-4.94%	
Policy Benchmark	0.09%	-4.93%	Weighted average return of asset class benchmarks
Excess Return	0.48%	-0.01%	
Broad Benchmark	-0.67%	-6.05%	70% global stocks and 30% global bonds
Excess Return	1.24%	1.11%	
IPOPIF Composite**	0.73%	-5.01%	

*Overall estimate performance is calculated by Staff and includes account performance prior to transition pool

**IPOPIF Composite is calculated by State Street and includes the Transition pool and the IPOPIF Pool

- April statements, with individual fund performance, emailed to all active funds on May 17.
- Staff and Verus validating monthly reporting
- Verus detailed quarterly reporting to start in September with 2Q22 (April – June)

Asset Allocation 6/3/22

Account	Net Assets	%	TGT %	Vs TGT
Growth	485,088,219	50.2%	50.0%	0.2%
RHUMBLINE US LARGE	172,893,612	17.9%	18.0%	-0.1%
RHUMBLINE US SMALL	48,775,574	5.1%	5.0%	0.1%
SSGA NON-US DEVELOPED	147,591,935	15.3%	15.0%	0.3%
SSGA NON-US DEVELOPED SC	48,407,740	5.0%	5.0%	0.0%
SSGA EM EQUITY	67,419,359	7.0%	7.0%	0.0%
Income	151,847,190	15.7%	16.0%	-0.3%
SSGA HIGH YIELD	95,035,873	9.8%	10.0%	-0.2%
SSGA EM DEBT	56,811,317	5.9%	6.0%	-0.1%
Inflation Protection	87,231,456	9.0%	9.0%	0.0%
SSGA TIPS	29,143,113	3.0%	3.0%	0.0%
SSGA REITS	36,714,399	3.8%	4.0%	-0.2%
PRINCIPAL RE-INFRASTRUCTURE	21,373,944	2.2%	2.0%	0.2%
Risk Mitigation	241,589,952	25.0%	25.0%	0.0%
IPOPIF CASH	32,070,111	3.3%	3.0%	0.3%
SSGA ST GOV-CREDIT	144,322,718	14.9%	15.0%	-0.1%
SSGA CORE BONDS	65,197,122	6.8%	7.0%	-0.2%
Total	965,756,817	100.0%	100.0%	0.0%

RhumbLine Succession

- Wayne Owen stepped down as CEO on April 30
- President, Denise D'Entremont, promoted to CEO
 - 27 years at RhumbLine, President since 2019
 - Now owns ~51% of company
 - 100% owned by 15 employees.
- CFO, Kim Roger McCant will retire later this year
- Remainder of leadership team will remain in place
 - CIO, CCO, GC, Portfolio Management Team
- IPOPIF Staff and Verus are supportive
 - This development reflects prudent succession planning and is consistent with communication and expectations.

Project List

- Staff recruitment for Investments and Operations
- Performance reporting and evaluation
- Active management planning and implementation
- Migration to long-term asset allocation
- Develop and implement ESG policy