Illinois Police Officers' Pension Investment Fund

APRIL 2025 NEWSLETTER

ILLINOIS POLICE OFFICERS' PENSION FUND HIRES ALBOURNE PARTNERS AS ITS PRIVATE MARKETS CONSULTANT

The Illinois Police Officers' Pension Investment Fund (IPOPIF) Board of Trustees voted unanimously at its April 11, 2025, meeting to hire Albourne Partners as it private markets investment consultant, following successful contract negotiations. Albourne will assist IPOPIF investment staff in developing a strategic implementation plan and building exposure to private market investments. IPOPIF's long-term asset allocation designates 20% to private market investments: 7% to private equity, 5% to private credit, 5% to real estate, and 3% to infrastructure.

Investment Update

The IPOPIF investment pool gained 9.6% in 2024, fueled by another solid year from US Large Cap stocks (+26.5% in 2023, and 24.5% in 2024). Additionally:

- 2025 started strong with a +2.4% return in January but has since turned negative driven by a near-flat (-0.1%) return in February and a 2% loss in March.
- April has been a tariff rollercoaster with the fund dropping 6% through April 8th and then recovering in subsequent days. As of April 28th, the fund value stood at $12.75 billion, up approximately 0.6% for the month and 0.9% for 2025 year to date.
- The IPOPIF portfolio is well diversified and positive returns from international stocks and investment grade bonds have mitigated recent negative returns from US stocks.
- The portfolio is also liquid with over $100 million in cash and $2.4 billion in high quality bonds.

Investment initiatives are progressing on multiple fronts.

- Initial Funding of the Oaktree Private Credit platform is expected in May.
- An RFP search for US Small Cap Equity managers was initiated in March and is proceeding on track for final interviews and selection planned for September.
- Staff is evaluating a potential search for an active high-yield bond manager. General Investment Consultant, Verus, provided asset class education at its April 11, 2025, Board meeting.

Strategic Plan Annual Review

During the Board meeting on April 11, Executive Director Rich White provided an annual review of the IPOPIF Strategic Plan which included evaluating its effectiveness, assessing progress in reaching goals and adjustments of goals and objectives as needed based on internal and external factors.

With regard to IPOPIF's investments, they have generated net returns that exceed the assumed actuarial rate of return. In the governance area, IPOPIF has ensured good governance by implementing best practices for accountability and transparency.

In terms of management, IPOPIF leadership has effectively and efficiently administered the funds to achieve desired results. In the area of stakeholder relations, IPOPIF has maintained constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.

Among the key milestones reached in the past year by the investments team are:

- Reviewed and adopted changes to the Investment Policy Statement and Asset Allocation for 2024 and 2025.
- Completed Public Markets Active Investment Manager Searches including international small cap equity, emerging markets ex China equity, bank loans and emerging markets debt
- $21.5 million active manager value added net of fees in 2024.
- Hired a Deputy CIO to focus on implementation of private markets investments
- Completed search for Private Credit Manager

Meanwhile, among highlights in the governance and management areas, IPOPIF:

- Received the Government Finance Officers Association "Certificate of Achievement for Excellence in Financial Reporting" for the Fiscal Year 2023.
- Developed Agreed Upon Procedures workplan of Article 3 police pension funds and completed the Tranche 1 plans.
- Developed a new budget and monthly financial reporting format to reflect full transparency of investment manager fees.
- Developed communication process to Article 3 police pension funds regarding CPA firms and the Agreed Upon Procedures process.
- Established tracking tool to account for billing and payment of all completed actuarial valuations for Article 3 funds.
- Standardized process of communicating cash user changes of participant funds to custodial bank and tracking of completion by the custodian bank.
- Revised AR 2022-01 Valuation and Cost Rule to enable feasible implementation of the equitable allocation of costs and loan payments to all participant funds.
- Hired Sr Accountant/Auditor.
- Revised Employee Handbook.
- Developed trustee and staff training tracker.
- Completed Governance Policy and Procedure Plan.
- Completed a comprehensive review of policies and adoption of new Board policies related to the election of trustees and a records management policy. Published and distributed newsletters for stakeholders.
- Published Final Report on the Statutory Transition Period.
- Conducted six Regional Stakeholder Meetings.

Among the additions made to the Strategic Plan are to evaluate IPOPIF office location and resource utilization exploring the benefits of building ownership vs. leasing and the development of artificial intelligence, robotic process automation, and machine learning to enhance administrative processes and operations.

On the Road

On May 2, in Addison, Chief Financial Officer Regina Tuczak will present to members of the Illinois Professional Firefighters Association (IPFA) at their Pension Seminar.

From May 7-9, IPOPIF Manager of External Affairs Shawn Curry will be at the Illinois Public Pension Fund Association (IPPFA) Pension Conference in Galena providing attendees with IPOPIF updates and educational materials.

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 February 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, June 13, 2025, at 9 am. 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

- Monthly statement overview
- Monthly financial reports
- Monthly and quarterly investment reports
- Meeting Calendar