



Illinois Police Officers' Pension Investment Fund

Investment Update

As of 3/12/26

Performance Update

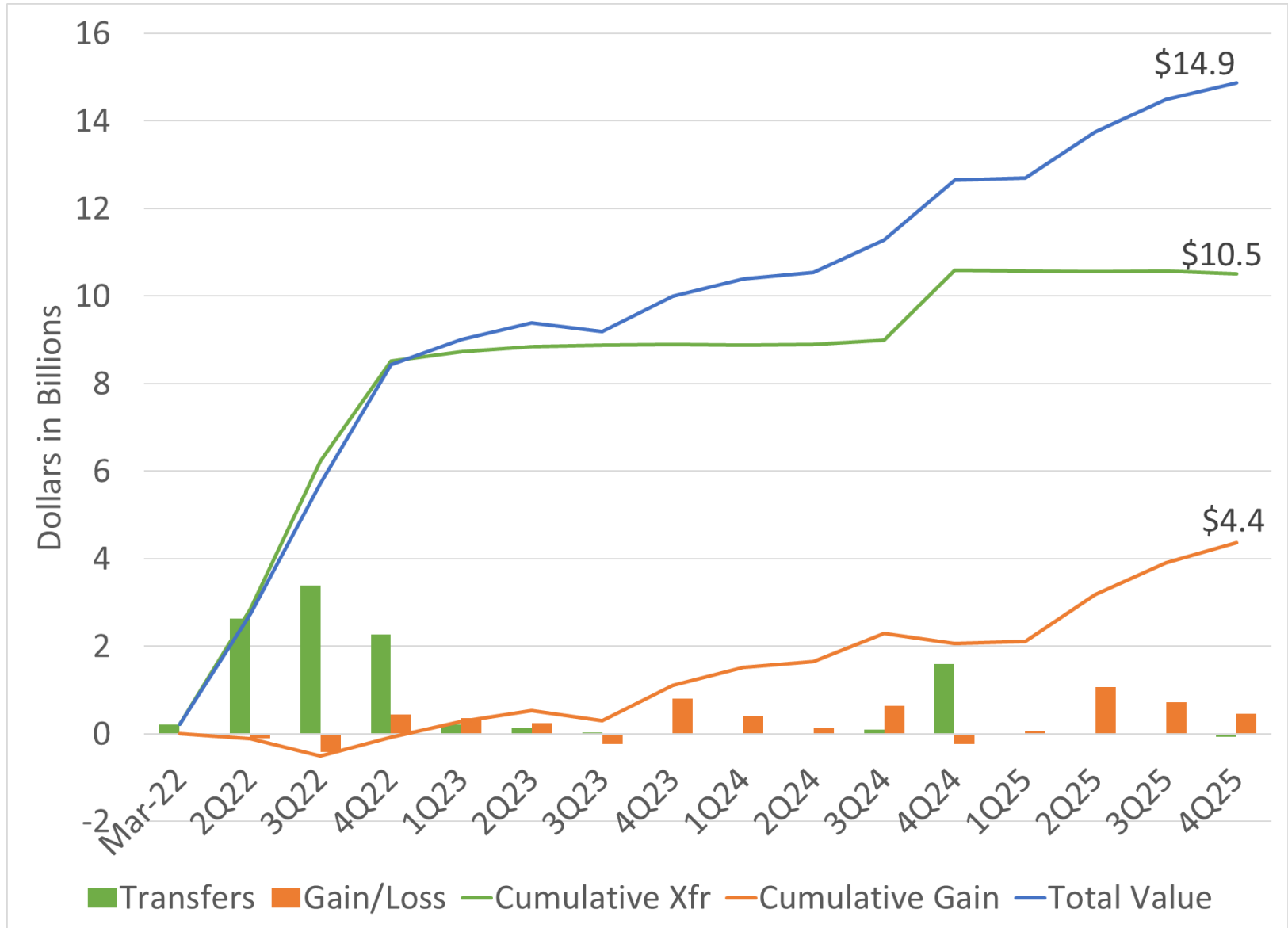
	Jan. '26	FY26 July – Jan. '26	3 years ending Jan. '26	Since Incept. 4/22
IPOPIF Pool	+3.0%	+11.8%	+12.9%	8.7%
Policy Benchmark	+2.6%	+11.2%	+12.7%	8.5%
Broad Benchmark	+2.6%	+10.8%	+13.8%	8.5%

Source: Verus 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 2.6% in February

IPOPIF Growth



FY 26 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%. Additional detail and discussion regarding ARGA performance is attached.
- **January 2026** (preliminary) – The portfolio was up another 3.0% in January with continued strength from international and emerging market stocks, as well as US Small cap. The FY26 return sits at 11.8%
- **February 2026** (estimated) – Similar dynamics continued to play out in February, driving the monthly return estimate above 2%.

12-Month Returns as of 12/31/25

Style	Manager - 1 year	Return	Index	Excess
value	ARGA Emerging Markets Ex China Equity	52.5%	34.6%	17.9%
value	LSV International Small Cap Value Equity Fund	47.8%	34.2%	13.6%
	SSgA Non-US Developed Index	32.3%	31.9%	0.5%
	Acadian ACWI ex US Small-Cap Fund	30.6%	29.3%	1.3%
growth	William Blair Emerging Markets ex China Growth Fu	27.3%	32.3%	-5.0%
growth	WCM International Small Cap Growth Fund	18.9%	29.3%	-10.3%
	RhumbLine Russell 1000 Index	17.3%	17.4%	0.0%
	SSgA EMD Hard Index Fund	14.4%	14.3%	0.1%
	RhumbLine Russell 2000 Index	12.8%	12.8%	-0.1%
	SSgA High Yield Corporate Credit	8.6%	8.5%	0.1%
	SSgA Core Fixed Income Index	7.2%	7.3%	-0.1%
	Aristotle Institutional Loan Fund	6.8%	5.9%	0.9%
	SSgA US Treasury Index	6.2%	6.3%	-0.1%
	SSgA US TIPS Index	6.1%	6.1%	0.0%
	Ares Institutional Loan Fund	5.9%	5.9%	-0.1%
	SSgA Short-Term Gov't/Credit Index	5.4%	5.3%	0.0%
	Principal USPA	4.3%	2.9%	1.4%
	SSgA REITs Index	3.6%	3.7%	0.0%

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

Active Manager Value Add – 12/31/25

month =>	2025-12					Fee %
	Start	End \$M	GVA	Fees	NVA	of GVA
Acadian	Jan 2024	416	29,413,186	3,609,934	25,803,252	12.3%
LSV	Mar 2024	231	29,402,245	2,643,445	26,758,800	9.0%
WCM	Mar 2024	191	(12,107,931)	2,004,471	(14,112,403)	Neg GVA
ARGA	Dec 2024	545	53,917,660	3,099,883	50,817,777	5.7%
Wm Blair	Dec 2024	509	6,483,898	1,815,915	4,667,983	28.0%
Capital Grp.	Nov 2024	222	2,924,236	792,287	2,131,949	27.1%
Ares	Mar 2024	140	1,057,821	560,042	497,780	52.9%
Aristotle	Mar 2024	282	2,586,002	1,377,833	1,208,168	53.3%
Principal	Jan 2023*	223	8,940,673	4,513,367	4,427,305	50.5%
Hood River	Nov 2025	220	4,019,220	277,163	3,742,057	6.9%
Reinhart	Nov 2025	225	(1,890,974)	175,333	(2,066,307)	Neg GVA
Total		3,203	124,746,036	20,869,673	103,876,363	16.7%

Source: Investment Staff Calculations

*Principal value add measured subsequent to asset consolidation

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.

IPOPIF Expense Load

Quarterly	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Admin ops + BOT	390,834	430,024	551,065	1,012,441	466,507	418,502
Investment Ops	225,651	419,849	554,415	1,058,941	361,871	695,491
IM Fees invoiced	1,016,759	1,281,220	1,573,899	1,784,367	1,864,498	2,399,904
IM Fees paid from fund	767,351	1,035,520	1,496,971	1,746,452	2,172,343	2,545,668
Total	2,400,595	3,166,612	4,176,351	5,602,201	4,865,219	6,059,566
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

Trailing Four Quarters	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25
Admin ops + BOT				2,384,364	2,460,037	2,448,515
Investment Ops				2,258,856	2,395,076	2,670,718
IM Fees invoiced				5,656,245	6,503,984	7,622,669
IM Fees paid from fund				5,046,294	6,451,286	7,961,435
Total				15,345,760	17,810,383	20,703,336
Average Fund NAV				12,594,366,659	13,396,046,761	13,951,413,102

Expense Load (annualized)	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25
Admin ops + BOT				0.019%	0.018%	0.018%
Investment Ops				0.018%	0.018%	0.019%
IM Fees invoiced				0.045%	0.049%	0.055%
IM Fees paid from fund				0.040%	0.048%	0.057%
Total				0.122%	0.133%	0.148%

This exhibit summarizes expenses and calculates the fee load on average NAV for the trailing for 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 \$73.5 million based on \$15 billion NAV. We expect active management to increase fund returns NET of fees and expenses.

Asset Allocation 3/11/26

Account	Current		Target		Variance		
	\$M	%	\$M	%	\$M	%	abs%tgt
Growth	8,951	58.7%	8,840	58.0%	110	0.7%	1%
RhumbLine US Large	3,352	22.0%	3,506	23.0%	(153)	-1.0%	4%
US Small Cap (3 mgrs)	763	5.0%	762	5.0%	1	0.0%	0%
RhumbLine US Small	289	1.9%	305	2.0%	(16)	-0.1%	5%
Hood River	242	1.6%	229	1.5%	14	0.1%	6%
Reinhart	231	1.5%	229	1.5%	3	0.0%	1%
SSGA Non-US Developed	2,855	18.7%	2,896	19.0%	(41)	-0.3%	1%
Intl. Small Cap (3 mgrs)	838	5.5%	762	5.0%	76	0.5%	10%
Acadian	405	2.7%	381	2.5%	24	0.2%	6%
LSV (1 day lag)	226	1.5%	191	1.25%	36	0.2%	19%
WCM (monthly)	207	1.4%	191	1.25%	17	0.1%	9%
EME ex China	1,142	7.5%	915	6.0%	228	1.5%	25%
ARGA (monthly)	594	3.9%	457	3.00%	137	0.9%	30%
William Blair	548	3.6%	457	3.00%	91	0.6%	20%
Income	2,387	15.7%	2,439	16.0%	(52)	-0.3%	2%
High Yield (2 mgrs)	619	4.1%	610	4.0%	10	0.1%	2%
SSGA High Yield	315	2.1%	305	2.0%	11	0.1%	3%
MetLife	302	2.0%	305	2.0%	(3)	0.0%	1%
Transition manager	2	0.0%	-	0.0%	2		
EM Debt (2 mgrs)	906	5.9%	915	6.0%	(9)	-0.1%	1%
Cap Group EMD	223	1.5%	229	1.5%	(5)	0.0%	2%
SSGA EM Debt	683	4.5%	686	4.5%	(3)	0.0%	0%
Bank Loans (2 mgrs)	455	3.0%	457	3.0%	(3)	0.0%	1%
Ares (monthly)	150	1.0%	152	1.0%	(2)	0.0%	2%
Aristotle (monthly)	305	2.0%	305	2.0%	(0)	0.0%	0%
Oaktree Priv. Cred.	407	2.7%	457	3.00%	(51)	-0.3%	11%
Real Return	866	5.7%	915	6.0%	(49)	-0.3%	5%
SSGA REITS	641	4.2%	610	4.0%	31	0.2%	5%
PRINCIPAL USPA	225	1.5%	305	2.0%	(80)	-0.5%	26%
Risk Mitigation	3,039	19.9%	3,048	20.0%	(10)	-0.1%	0%
Cash Accounts	202	1.3%	152	1.0%	50	0.3%	33%
SSGA ST GOV-CREDIT	1,485	9.7%	1,524	10.0%	(40)	-0.3%	3%
SSGA TIPS	445	2.9%	457	3.0%	(12)	-0.1%	3%
SSGA US TREASURY	449	2.9%	457	3.0%	(9)	-0.1%	2%
SSGA CORE BONDS	457	3.0%	457	3.0%	(0)	0.0%	0%
Legacy Transition Bonds	0.991	0.0%	-	0.0%	1	0.0%	
Total Investment Pool	15,242	100.0%	15,242	100.0%			

Funding and Rebalancing

Trade Date	Account	Flow \$ mil	Trading Costs \$*	Comment
13-Jan	SSGA US Treasury	+61	-5,710	Rebalanced to target
14-Jan	Acadian (Intl. Small Cap)	-15	0	Trimmed overweight
30-Jan	SSGA Non-US Developed	-71	-22	Trimmed overweight
30-Jan	SSGA EMD	+44	-63,944	Rebalanced to target
2-Feb	Ares (Bank Loan)	+12	0	Rebalanced to target
2-Feb	Aristotle (Bank Loan)	+23	0	Rebalanced to target
2-Feb	LSV (Intl. Small Cap)	-10	-35,000	Trimmed overweight
2-Feb	ARGA	-15	-33,000	Trimmed overweight
2-Feb	Wm Blair EMxC	-15	0	Trimmed overweight
4-Feb	SSGA Core Bonds	+65	-4,738	Rebalanced to target
6-Feb	Acadian (Intl. Small Cap)	-15	0	Trimmed overweight
27-Feb	SSGA Non-US Developed	-50	-3,509	Trimmed overweight
1-Mar	ARGA	-15	TBD	Trimmed overweight

*Trading costs include commissions, custody charges, and market impact charges.

- \$300 million funding of new MetLife High Yield account from SSIM passive account is detailed separately.
- ARGA proceeds expected within 15 business days of redemption.

US High Yield Transition Process

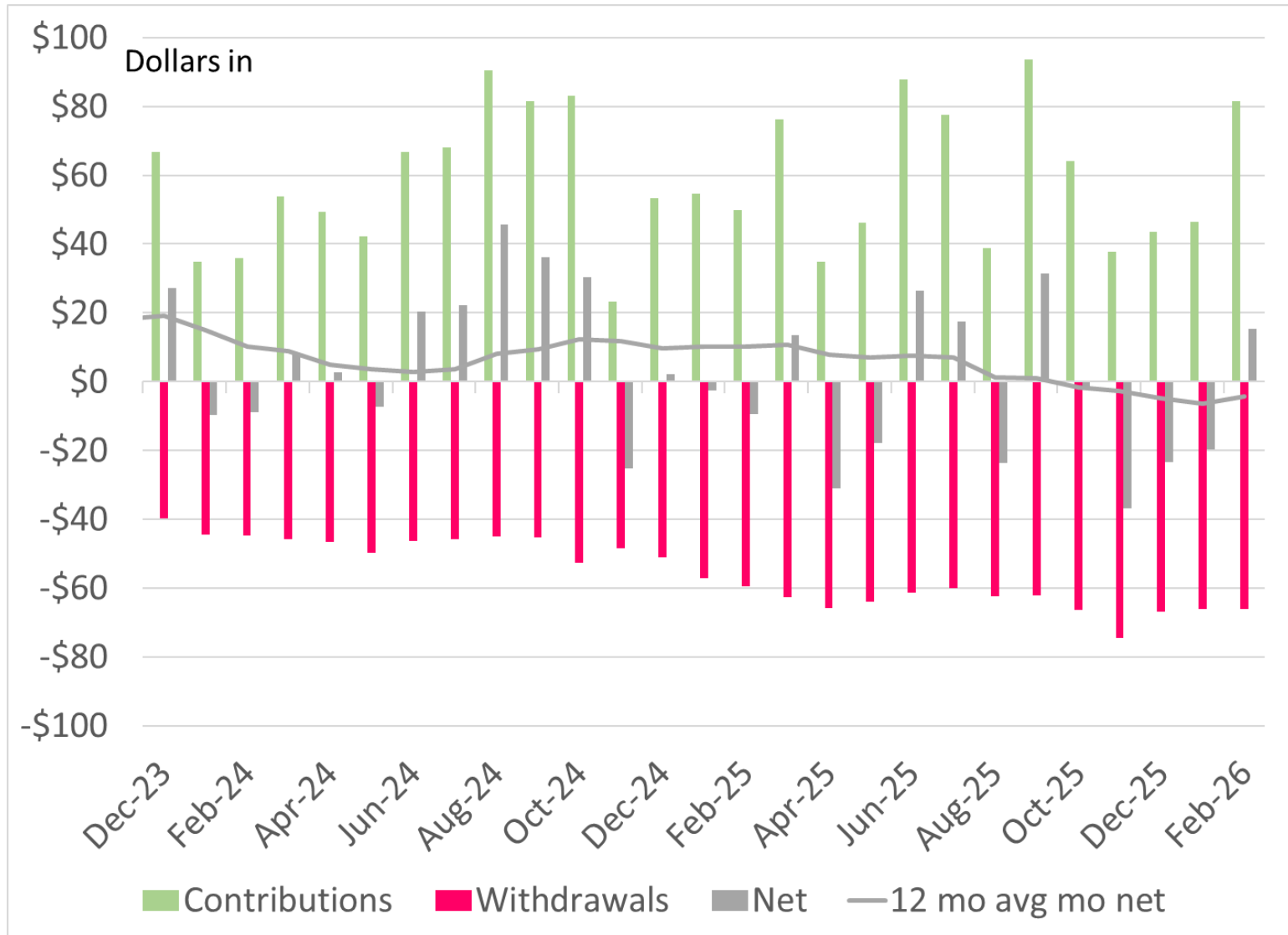
- MetLife High Yield Bond (HY) strategy approved at 12/12/25 Board meeting.
- The HY strategy is a separately managed account in which bonds are held at IPOPIF custodian, State Street.
- IPOPIF met with multiple parties to identify and evaluate transition options (Transition Managers, Legacy Manager, Target Manager, and Consultant).
 - Traditional transition event was not advised due to relatively lower liquidity of the target portfolio.
 - Gradual cash funding was feasible but would likely incur cash drag.
 - Optimum solution identified was to create shares of a high yield bond exchange traded fund (ETF) from an in-kind transfer from the legacy manager, State Street Investment Management (SSIM).
 - The ETF approach would maintain near-full exposure to the HY market while allowing MetLife to prudently invest in the target portfolio.
 - The team identified State Street SPDR Portfolio High Yield Bond ETF (SPHY) as the optimal vehicle due to its securities match with the commingled fund investment, good liquidity and low (0.05%) annual expense ratio.
- Assets were transferred from SSIM commingled fund to transition account and converted to 12 million shares of SPHY ETF on Jan 30. The ETF shares were transferred to target account on Feb 3. Subsequent transfer of residual shares of ETF and cash (\$10 million) transfer took place on Feb 4 & Feb 9, respectively.
- The conversion of the MetLife account from ETF exposure to the target portfolio is expected to take 6-8 weeks at a cost of approximately 50 bps, reflecting the bid/ask spread.

High Yield Transition Performance

ETF Creation Costs	Estimate (\$300 mm)		Actual (\$285 mm)	
	SPHY	\$ Cost	SPHY	\$ Cost
Cost for Creation ETF Units	0.5 bps to 1 bp	\$22,500	0.25 bps	\$7,095
Commission rate	\$0.01	\$125,839	\$0.01	\$120,000
Total Cost		\$148,339		\$127,095

- ETF share creation and transfer occurred at the early end of the expected time frame and slightly below the estimated costs.
- As of 3/10/26, investment in the target portfolio is approximately 72% complete, with an observed performance drag of 51 bps, approximating the bid/ask spread.
- As of 3/10/26, 36% of all ETF sales commissions were paid to a MWDBE broker trading with best execution.

Monthly Participant Fund Cash Flow



Investment Updates

- Private Equity search near completion with final recommendation at this (March 20) Board meeting.
- Private Infrastructure search on track.
 - RFI evaluation complete. Candidate proposals due by March 18. Board Interviews planned for June with final selection in July.
- Staff & Albourne continue evaluation of real estate search with focus on refining the scope of services.
 - Board discussion expected in April.
- Working with Verus on strategic planning process.
 - May incorporate enterprise risk assessment.
 - Board discussion tentatively planned for April.
- Received \$5.8 million in early March related to annuity proceeds.