



Illinois Police Officers' Pension Investment Fund

Investment Update

As of 1/29/26

Performance Update

	CY25 Jan. – Dec.	FY26 July – Dec.	3 years ending Dec. '25	Since Incept. 4/22
IPOPIF Pool	+17.9%	+8.5%	+13.7%	8.1%
Policy Benchmark	+17.2%	+8.4%	+13.7%	7.9%
Broad Benchmark	+17.9%	+8.0%	+15.1%	8.0%

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.
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- Verus Preliminary December 2025 Investment Report is attached for reference.
 - Preliminary data indicates that the Fund was up ~3% in January through 1/28/26.

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 through October with a 1.5% gain and moderated through year end, adding another 1.6%, resulting in a 3.1% gain for the quarter and 8.5% for the trailing six months (FY26 to date).
 - EME ex China mandates posted the highest returns with ARGA up 13.3% and William Blair up 10.7%.
 - LSV international small cap value also performed admirably at +7.1%.
 - WCM struggled, losing 5.9% vs. +3.0% for their index. However, we recognize that the WCM performance profile is more volatile.

Asset Allocation 1/27/26

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Growth	9,213	60.5%	8,833	58.0%	380	2.5%
RhumbLine US Large	3,447	22.6%	3,503	23.0%	(56)	-0.4%
US Small Cap (3 mgrs)	783	5.1%	761	5.0%	22	0.1%
RhumbLine US Small	301	2.0%	305	2.0%	(4)	0.0%
Hood River	248	1.6%	228	1.5%	19	0.1%
Reinhart	235	1.5%	228	1.5%	6	0.0%
SSGA Non-US Developed	3,028	19.9%	2,894	19.0%	135	0.9%
Intl. Small Cap (3 mgrs)	862	5.7%	761	5.0%	101	0.7%
Acadian	434	2.8%	381	2.5%	53	0.3%
LSV (1 day lag)	238	1.6%	190	1.25%	48	0.3%
WCM (monthly)	191	1.3%	190	1.25%	0	0.0%
EME ex China	1,092	7.2%	914	6.0%	178	1.2%
ARGA (monthly)	530	3.5%	457	3.00%	73	0.5%
William Blair	562	3.7%	457	3.00%	105	0.7%
Income	2,308	15.2%	2,437	16.0%	(129)	-0.8%
High Yield (2 mgrs)	617	4.0%	609	4.0%	8	0.0%
SSGA High Yield	617	4.0%	609	4.0%	8	0.0%
MetLife	-	0.0%				
EM Debt (2 mgrs)	863	5.7%	914	6.0%	(50)	-0.3%
Cap Group EMD	226	1.5%	228	1.5%	(3)	0.0%
SSGA EM Debt	638	4.2%	685	4.5%	(48)	-0.3%
Bank Loans (2 mgrs)	421	2.8%	457	3.0%	(36)	-0.2%
Ares (monthly)	140	0.9%	152	1.0%	(13)	-0.1%
Aristotle (monthly)	282	1.8%	305	2.0%	(23)	-0.2%
Oaktree Priv. Cred.	407	2.7%	457	3.00%	(50)	-0.3%
Real Assets	823	5.4%	914	6.0%	(91)	-0.6%
SSGA REITS	599	3.9%	609	4.0%	(10)	-0.1%
PRINCIPAL USPA	224	1.5%	305	2.0%	(81)	-0.5%
Risk Mitigation	2,886	19.0%	3,046	20.0%	(160)	-1.0%
Cash Accounts	124	0.8%	152	1.0%	(28)	-0.2%
SSGA ST GOV-CREDIT	1,481	9.7%	1,523	10.0%	(42)	-0.3%
SSGA TIPS	442	2.9%	457	3.0%	(15)	-0.1%
SSGA US TREASURY	447	2.9%	457	3.0%	(10)	-0.1%
SSGA CORE BONDS	391	2.6%	457	3.0%	(66)	-0.4%
Legacy Transition Bonds	0.988	0.0%	-	0.0%	1	0.0%
Total Investment Pool	15,230	100.0%	15,230	100.0%		

Funding and Rebalancing

Trade Date	Account	Flow \$ mil	Trading Costs \$*	Comment
1-Jan	ARGA EM Ex China	-15	-29,250	Trimmed overweight
9-Jan	SSGA Non-US Developed	-70	-1,052	Rebalancing toward target
9-Jan	SSGA REIT	+21	-767	Rebalanced to target
13-Jan	SSGA UST	+61	-5,710	Rebalanced to target
14-Jan	Acadian	-15	0	Trimmed overweight
30-Jan	SSGA Non-US Developed	-71	TBD	Rebalancing toward target
30-Jan	SSGA EMD	+44	TBD	Rebalanced to target
1-Feb	Ares (Bank Loan)	+12	TBD	Rebalanced to target
1-Feb	Aristotle (Bank Loan)	+23	TBD	Rebalanced to target
1-Feb	LSV (Int. Small Cap)	-10	TBD	Trimmed overweight
1-Feb	ARGA EM Ex China	-15	TBD	Trimmed overweight
2-Feb	Wm Blair EMxC	-15	TBD	Trimmed overweight
6-Feb	Acadian	-15	TBD	Trimmed overweight

*Trading costs include commissions, custody charges, and market impact adjustments, which can be positive (i.e., gain).

- \$300 million funding of new MetLife High Yield account from SSIM passive account planned for February 2.

Non-Transferred Asset Update

- Transfer of Assets Rule (AR-2021-02), Section I, discusses the resolution of Non-Transferrable Assets (NTAs) and directs the Chief Investment Officer to make quarterly reports to the Board of Trustees regarding the status of such assets and progress around transferring such assets to IPOPIF.
- NTA information was presented to the Board in October 2025 and follows on the next slide for reference.
- Given the small amount of outstanding NTA and positive trends, staff is in a monitoring mode and will update the Board as new information becomes available from DOI.
- In response to a Board question at the October meeting, fiduciary counsel has reviewed the Transfer of Assets rule and confirmed that the certified asset list process met the requirements of Section F of the rule. Additional proactive communication from IPOPIF is not required. Counsel will provide additional comments and take questions.

10/17/25 NTA Report

This report was reviewed at the 10/17/25 Board meeting and is included for reference.

Summary of Article 3 Investments	FY24 data		FY23 data		Change	
	Value \$	%	Value \$	%	Value \$	%
Pooled Accounts	11,737,559,661	95.5%	9,501,414,444	94.2%	2,236,145,217	1.2%
Cash, Money Market, Checking	388,007,341	3.2%	408,574,342	4.1%	-20,567,001	-0.9%
Certificate of Deposit	19,598,460	0.2%	19,407,610	0.2%	190,850	0.0%
Insurance Company Contracts	137,636,366	1.1%	133,482,392	1.3%	4,153,974	-0.2%
State and Local Obligations	1,136,173	0.0%	1,038,430	0.0%	97,742	0.0%
US Government and Agency Obligations	4,585,969	0.0%	7,784,334	0.1%	-3,198,364	0.0%
Common and Preferred Stocks	2,127,056	0.0%	2,274,239	0.0%	-147,184	0.0%
Mutual Funds	6,194,965	0.1%	7,300,065	0.1%	-1,105,099	0.0%
Total	12,296,845,991	100.0%	10,081,275,856	100.0%	2,215,570,135	0.0%
# Transferred funds evaluated	343		329		14	

Source: IL DOI Detailed Financial Data, IPOPIF calculations.

- NTA model updated for FY24 data recently available from DOI.
- Now includes Funds that transferred in Oct. 2024 with 12/31 FY year ends.
- Trends are generally positive.
- Notable \$ and % drop in cash.

Board Agenda Projection

- March 20, 2026
 - Quarterly Performance
 - Private Equity Selection
 - Real Estate Search Preview
- April 17, 2026
 - Strategic Planning Update
 - Real Estate Search Request
- June 5, 2026
 - Quarterly Performance
 - Private Infrastructure Interviews
- July 31, 2026
 - Private Infrastructure Selection
- TBD 2026
 - Real Estate Search Selection
 - Private Credit Search
 - Asset Allocation Study

For discussion and planning purposes. Subject to revision.