



Illinois Police Officers' Pension Investment Fund

Board of Trustees - Special Meeting - February 9, 2024

Notice is hereby given that the Board of Trustees of the Illinois Police Officers' Pension Investment Fund will conduct a special meeting on Friday, February 9, 2024, at 10:00 AM at 456 Fulton St, Suite 420, Peoria, IL. 61602

This meeting will be live-streamed on the Zoom video-conferencing platform. By entering the meeting participants agree to be audio and video recorded.

Topic: Board of Trustees Meeting

Time: February 9, 2024, 10:00 AM - 1:30 PM Central Time (US and Canada)

Join Zoom Meeting via Video:

Video: www.zoom.us

Meeting ID: 863 4420 8610

Passcode: 257081

Join Zoom Meeting via Dial-In:

Dial In: 1 (312) 626-6799

Meeting ID: 863 4420 8610

Passcode: 257081

February 09, 2024 10:00 AM - 1:30 PM Central Time (US and Canada)

Agenda Topic

1. Call to Order (10:00 AM)
2. Roll Call
 - 2.1 Roll Call: Discussion and Potential Action
3. Finance
 - 3.1 Agreed Upon Procedures of Article 3 Funds by Independent CPA Firms Interviews and Selections: Discussion and Potential Action
 - 3.2 Monthly Financial Statement - November 2023: Discussion and Potential Action
 - 3.3 Monthly Financial Statement - December 2023: Discussion and Potential Action
 - 3.4 Warrant # 2024-07: Discussion and Potential Action

- 3.5 [Warrant # 2024-08: Discussion and Potential Action](#)
- 4. Investments
 - 4.1 [Bank Loans Manager Selection: Discussion and Potential Action](#)
 - 4.2 [Transition of Assets Planning: Discussion and Potential Action](#)
 - 4.3 [Investment Policy Review: Discussion and Potential Action](#)
 - 4.4 [Investment Update: Discussion and Potential Action](#)
- 5. Board of Trustees
 - 5.1 [Committee Assignments - 2024: Discussion and Potential Action](#)
 - 5.2 [Board of Trustees Meeting Minutes - December 15, 2023: Discussion and Potential Action](#)
 - 5.3 [Board of Trustees Meeting Minutes - January 19, 2024: Discussion and Potential Action](#)
- 6. Governmental Liaison
 - 6.1 [Governmental Liaison Monthly Report: Discussion and Potential Action](#)
- 7. Operations
 - 7.1 [Job Description: Senior Accountant/Auditor: Discussion and Potential Action](#)
 - 7.2 [Strategic Plan: Discussion and Potential Action](#)
 - 7.3 [Operations Update Report: Discussion and Potential Action](#)
- 8. [General Legal Counsel](#)
 - 8.1 Board of Trustees Meeting Closed Session Minutes: Discussion and Potential Action
 - 8.2 Performance Review: Discussion and Potential Action
- 9. [Fiduciary Legal Counsel](#)
 - 9.1 Litigation Committee Closed Session Minutes: Discussion and Potential Action
 - 9.2 [Litigation Committee: Status Update on Pending Litigation](#)
- 10. Closed Session (if necessary)
- 11. Public Comment
- 12. Adjournment

ILLINOIS POLICE OFFICERS’ PENSION INVESTMENT FUND



IPOPIF

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR
RE: AGENDA ITEM: ROLL CALL
DATE: FEBRUARY 9, 2024

RECOMMENDATION: Motion to allow Board of Trustee(s) _____ to participate in the February 9, 2024, meeting of the Board of Trustees by audio, video, or internet conferencing.

Section 209 of the IPOPIF By Laws provides that *“Upon a majority vote of Trustees present at a meeting, a Trustee who is not physically present may participate in a meeting by audio, video, or internet conferencing, provided the Trustee is prevented from physically attending due to: (1) personal illness or disability; (2) employment purposes or Fund business; or (3) a family or other emergency. A Trustee who wishes to attend by telephone, video or internet conferencing must notify the Board Secretary and the Executive Director at least 24 hours prior to the meeting, unless advance notice is impractical. A Trustee who is allowed to participate by telephone, video or internet conferencing shall not be considered present for purposes of a quorum but shall be considered in attendance for all other purposes and allowed to vote on matters brought before the Board.”*

Additionally, 5 ILCS 120/7 was amended to include “unexpected childcare obligations” as an acceptable exception to the physical attendance rule.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

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In accordance with Board rules and the Open Meetings Act, the Board of Trustees will discuss and take necessary action to allow remote participation if members of the Board will not be physically present for the meeting, as indicated below:

A quorum of six members of the Board is required to be present in the Board meeting room to comply with the Open Meetings Act.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



IPOPIF

MEMORANDUM

TO: Board of Trustees

FROM: Richard White, Executive Director
Regina Tuczak, Chief Financial Officer

RE: Agenda Item 3.1: Agreed Upon Procedures of Article 3 Funds by Independent CPA Firms

DATE: February 9, 2024

RECOMMENDATION: IPOPIF staff recommends that the four Independent Certified Public Accounting Firms listed below be retained to perform Agreed-Upon Procedures of the Police Pension Funds established under Article 3 of the Illinois Pension Code for the three-year cycle of calendar years 2023 to 2026, and authorize the Executive Director to execute the related contracts:

Kerber, Eck & Braeckel LLP

Lauterbach & Amen, LLP

Mitchell & Titus, LLP

RSM US LLP

Background

Per approval by the Board of Trustees at the October 13, 2023, meeting, the Request for Proposals for Independent Certified Public Accounting firms to conduct agreed upon procedures of Police Pension Funds established under Article 3 of the Illinois Pension Code (the RFP) was issued on Monday, October 16th, and posted on the Fund's website on that date. Subsequent to posting, an email was sent to representatives of 16 independent certified public accounting firms inviting their respective firms to respond to the RFP. Selection of the 16 firms included all IGFOA member firms and firms that perform year-end audit services for Illinois Pension Funds established under 40 ILCS 5.

The timeframe for the RFP is included at the end of this memo. Note that one change was made to allow two additional business days for submission of written questions.

In response to the RFP, 4 proposals were received from quality firms.

Due Diligence Performed by Staff

IPOPIF Staff reviewed all 4 submissions in detail and prepared a summary of select elements of the proposals which is included as Attachment 1. Subsequent to review of the submission, staff

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

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held interviews with representatives of each firm. The interviews were held virtually on January 4, 5 and 8th and were approximately 1.25 hours each. Each firm was provided with the following interview guidelines:

Suggested Interview Guidelines

- Introductions and Background of Attendees – 5 minutes
- Outline of plan to conduct Agreed-Upon Procedures – 15 minutes
Please ensure that the presenters are familiar with “Attachment 1 – Copy of General Procedures” to the RFP, which is on the IPOPIF website at the link: [Attachment 1 - Copy of General Procedures.xlsx \(live.com\)](#)
And address the following in the discussion:
 - ✓ Assigned team members by level of experience, the estimated time budget for each assigned member of the engagement, and their relevant experience
 - ✓ Process to conduct each engagement, including document request list and receipt of information, coordination with Article 3 Fund and IPOPIF staff, and scope of work
 - ✓ Communication of results
 - ✓ Information for further consideration including any resource constraints
- Security of information – IT Infrastructure and Data Security – 5 minutes
- Key differentiators of your firm and presentation of fee estimate – 5 minutes
- Concerns with procedures or process – 5 minutes
- Questions of IPOPIF staff specific to your RFP submission -10 minutes
- Final questions and closing remarks – 5 minutes

Please also indicate how the outline of your plan or any other information in your presentation would change if your firm is awarded 60 engagements annually (maximum) versus 30 engagements annually (minimum).

IPOPIF staff attending each interview were Richard White, Executive Director, Regina Tuczak, Chief Financial Officer and Amy Zick, Senior Staff Accountant.

Following the interviews, IPOPIF staff met and discussed the finalist selections. It was noted that all firms provided quality proposal submissions responsive to the RFP criteria. Each firm was well prepared for the interview and provided appropriate content addressing the interview guidelines. Based on the proposals submitted and the interviews conducted, IPOPIF staff invited each of the firms to provide a finalist presentation to the Board at the January 19, 2024, meeting. The finalist presentations were subsequently deferred to the February 9, 2024, meeting.

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With respect to the finalist presentations, each firm was advised that they will be scheduled for 15 minutes to present information to the Board regarding their firm, engagement team, and process for the Agreed Upon Procedures, and respond to any questions from the Board. Each firm was also provided an opportunity to prepare a slide deck for their finalist presentations (recommended to be no more than 10 pages). Electronic copies of the slide materials are provided under separate cover and hard copies will be available at the Board meeting. Note that with the deferral of the Finalist Presentations to the February 9, 2024, meeting, each firm was invited to retain their presentation from January 19, 2024, to the Board or provide an updated version.

Staff noted that each firm priced the engagement according to their review of the Request for Proposal requirements. As part of the invitation to provide a finalist presentation, each firm was asked to provide a best and final fee, the results of which are included in Attachment 1. Note that staff did not pursue a single fee structure across all firms, based upon each firm's approach to the services requested. Each firm did provide a single price for each Agreed Upon Procedures engagement and related report.

The finalist presentation schedule is proposed as follows (reverse alphabetical order):

10:05am – RSM US LLP (RSM)

10:20am – Mitchell & Titus, LLP (MT)

10:35am – Lauterbach & Amen, LLP (L&A)

10:50am - Kerber, Eck & Braeckel LLP (KEB)

Summary of Recommendation

This is the first time that IPOPIF is engaging independent CPA firms to perform these procedures. Prior to the transfer of the investment assets of each Article 3 Fund to IPOPIF, the Illinois Department of Insurance (“IDOI”) had the sole responsibility for completing these procedures. An estimated 357 Agreed-Upon Procedures engagements are needed over a three-year period. In some cases, an Article 3 Fund may not have been audited for several years.

Each firm brings important qualities to these engagements. In the case of KEB, L&A and RSM, each has some Article 3 Fund clients for which they perform various services (audit and/or consulting). To ensure full perception of independence, IPOPIF staff recommends that these firms, if engaged by the Board, would not be utilized to perform any Agreed Upon Procedures of Article 3 Funds in their client base. In the case of L&A, there are approximately 125 funds for which they do not provide any services.

Given the volume of engagements required and the independence considerations, IPOPIF staff recommends a deep bench from which to draw to perform these services. The proposed engagement of the four firms would provide each firm an opportunity to perform services on approximately 30 Article 3 funds annually. To maintain an efficient process, a quarterly rotation period is suggested for these engagements. Each Article 3 Fund would be assigned a date for their review and these dates would be grouped into calendar quarters over the next three years.

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Coordination amongst the firms, IPOPIF staff and the IDOI will be necessary as each quarter group of Agreed Upon Procedures is completed. In order to maintain an efficient communication process, after the initial set-up is complete, IPOPIF staff recommends that two firms be assigned to each quarter, with approximately 15 engagements per firm. Capacity timing requests of KEB and MT in their proposals will be honored. It is also estimated that some Article 3 Fund engagements will extend beyond the assigned calendar quarter. The deeper bench of resources ensures that overlapping service completion of Agreed Upon Procedures does not comprise the ability for new engagements to commence.

Next Steps

Subject to selection by the Board, each firm would be contacted and a legal review of their engagement letters would occur. The IDOI would also be contacted and advised of the status. IPOPIF staff intends to request information from the IDOI regarding the most recent examination date of each Article 3 Fund.

Subsequent to satisfactory review and execution of the engagement letters, discussions amongst the firms, the IDOI and IPOPIF staff will begin. It is anticipated that all firms would be utilizing similar procedures, scoping methodology and reporting format. In order to ensure that Agreed Upon Procedures commence by May 1, well prior to the end of the fiscal year for the State of Illinois, communication to the first group of Article 3 Funds is targeted for April 1.


It is also noted that the Fiscal Year 2024 budget does not include estimated costs for these Agreed Upon Procedures. The estimated costs to perform the first group of Agreed Upon Procedures in May of 2024 will be included in the mid-year Budget information which is intended to be presented to the Audit and Budget Committee at its next meeting on February 9th.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

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RFP TIMEFRAME

Date	Action
October 16, 2023	RFP Issued and Distributed
October 27, 2023 October 31, 2023	Deadline for written questions to be submitted to adminrfp@ipopif.org 5pm Central Time
November 3, 2023	Issuance of questions and responses, along with any RFP addenda 4pm Central Time
November 20, 2023	Deadline for Submitting Electronic PDF Proposals 4pm Central Time
November 21, 2023	Deadline for Receipt by IPOPIF of Hard Copy Documents of the PDFs Submitted 4pm Central Time
November 21 – December 31, 2023	Review of proposals by IPOPIF staff and interviews of respondents
January 19, 2024	Consideration of proposals and interviews of finalists by the Board
April 2024	Communication to first group of Article 3 Funds subject to Agreed Upon Procedures
May 2024	Agreed Upon Procedures commence

 Yellow highlight indicates change to original timeframe.



ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND (IPOPIF)

Board Presentation

January 19, 2024

Meeting with you today - Introductions and Background



William (Bill) Sarb

Partner

Over 16 years experience in the public sector with a primary focus on public pension systems and/or funds



Kelly Kirkman

Partner

Over 23 years of experience in public accounting, focused in public sector



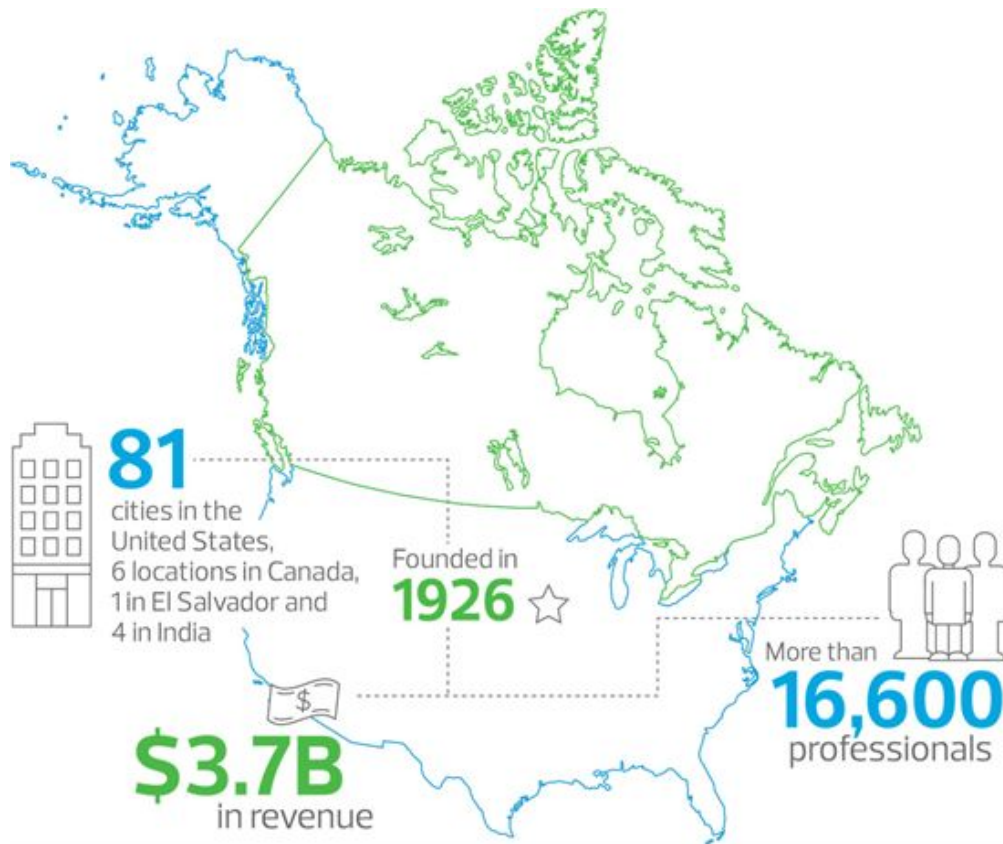
Jeffrey Slade

Senior Manager

Over 12 years of experience in public accounting, focused in public sector



About RSM



- Established in 1926, the firm has provided over 90 years of quality service
- Fifth largest accounting firm in U.S. (*Accounting Today*)
- Over 16,000 employees, including more than 1,800 across our 7 offices in the State of Illinois
- Our goal is to become your First Choice Advisor to help your organization move forward on its mission, drive growth and deliver value

Why RSM?

RSM is a first-choice advisor demonstrating the characteristics we call the 5 C's, living our values and delivering the power of being understood to our clients, colleagues and communities every day. The 5 C's-caring, curious, collaborative, courageous and critical thinking-are core to our culture. Cultivating the 5 C's and learning how to apply them in every interaction is foundational to who we are.



- The RSM team is designed with experience across all types of government engagements, including pension and investment fund experience, as well as municipalities with local police pension funds
- Relationship is a collaborative approach, we are in this together, working with you, to achieve your goals for reporting and beyond
- Exceptional project management – Our engagement team will work closely with your team to develop a coordinated plan and then deliver on executing the plan
- Industry and technical experience – By combining our depth of knowledge and experience within the State and Local Government industry with our proven technology, methodologies and processes, RSM will be a strong fit for your organization
- Partner involvement – Your management, staff and audit committee will receive regular partner-level attention

Composition of Engagement Team

- Given the nature of these types of engagements, in our experience our goal will be to work with IPOPIF management and divide the assigned Article 3 Pension Police Pension Funds into groups which will then be performed simultaneously accordingly across a standardized timeline.
 - For example, should we be asked to perform an AUP engagement for 30 Article 3 Funds over the course of a fixed period of time (i.e. 6 months), we would utilize a Project Manager to oversee all 30 engagements and coordinate with our overall project leader (Bill Sarb) to determine the number of engagement leaders for 30 funds, expectation would be 1-2
 - From there, we have a group of 4-6 managers, 5-8 senior and supervisors and multiple options of staff level which can be brought in to assist with individual funds
- To summarize, each AUP engagement assigned will be performed by a fieldwork leader overseeing staff on a day-to-day basis. Their work will be supervised by a manager, including a detailed review and also reviewed by an experienced engagement leader.

Pool of Assignable Team Members

Team member	Experience
Dan Sethness – Partner* *Promoted 1/1/24	<ul style="list-style-type: none"> • Over 15 years of experience • Experience includes serving on the audits of Cook County, Lake County, City of Lake Forest, Village of Inverness, Village of Oak Brook, Village of South Holland
Sarah Darnall – Senior Manager	<ul style="list-style-type: none"> • Over 11 years of experience • Experience auditing large state agencies, municipalities and nonprofit entities
Erik Ginter – Senior Manager	<ul style="list-style-type: none"> • Over 10 years of experience • Focuses on numerous government audits • Extensive experience with federal and state grants
Chad McCoy – Manager	<ul style="list-style-type: none"> • Over 9 years of experience • Extensive experience working with public employee retirement systems and pension funds

Pool of Assignable Team Members

Team member	Experience
Katie Rodriguez – Manager	<ul style="list-style-type: none"> Over 8 years of experience Experience with numerous large government audits
Lydia Houzenga – Manager	<ul style="list-style-type: none"> Over 8 years of experience in public accounting Has worked on government clients such as Village of South Holland and the City of Chicago Heights
Clare Nicholas – Fieldwork Leader	<ul style="list-style-type: none"> Over one year of experience in public accounting Experience as an experienced associate on the Article 4 Fund AUPs associated with the IFPIF
Berkley Alessandrini – Project Manager	<ul style="list-style-type: none"> Over 8 years of experience Experience with numerous large government audits Experience as the project manager on the Article 4 Fund AUPs associated with IFPIF

Agreed-Upon Procedures: Plan

- Collaborate with IPOPIF, the Illinois Department of Insurance (IDOI) and other potential assigned public accounting firms to ensure we work together to develop and consistently apply specified agreed-upon procedures that align with both:
 - The needs of the State of Illinois, IPOPIF, the IDOI and governing statutes for which the funds are required to adhere to
 - The rules and requirements associated with the attestation standards generally accepted in the United States of America as defined by the American Institute of Certified Public Accountants (AICPA)

Agreed-Upon Procedures: Plan (Continued)

- Process to conduct each engagement (continued)
 - RSM will integrate and utilize our project management office (PMO) team to assist with the overall project, an assigned project manager will be:
 - The central hub for tracking and coordinating all requests and follow-up questions with the individual Article 3 Funds and our engagement teams
 - Responsible for tracking and reporting progress and timing of deliverables directly with IPOPIF and the local Article 3 Funds
 - Hold all parties accountable for execution, including our own engagement teams by maintaining effective regular communication with the teams and team leaders, as well as communicate status with team and IPOPIF management as desired
 - Communication of results



RSM US LLP

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MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER



A meeting with

The Board of Trustees of the Illinois Police Officers' Pension Investment Fund

February 9, 2024

A meeting with

The Board of Trustees of the Illinois Police Officers' Pension Investment Fund (IPOPIF)



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

Meeting with you today



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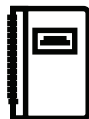
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Discussion items

- Overview of Mitchell Titus
- Our team to serve
- Relevant qualifications
- Understanding IPOPIF's needs
- The value we bring to IPOPIF
- The Mitchell Titus difference
- Questions and answers



Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Overview of Mitchell Titus

Mitchell Titus is the nation's largest minority-controlled certified public accounting firm operating within the U.S. Founded in 1974, the firm now maintains regional offices in New York City, Newark, Philadelphia, Baltimore, Chicago and Washington, DC.

Throughout its 50-year history, Mitchell Titus has experienced outstanding growth and earned national recognition for excellent performance and quality service. The firm provides a full range of services to a diversified client base. Mitchell Titus is the professional services firm of choice among government and public sector entities because of our significant industry experience.

Over 30 years ago, Mitchell Titus made a strategic decision to focus on several niche markets. Our Employee Benefit Plan practice audits more than 250 benefit plans annually, with net assets ranging from \$1 million to over \$50 billion.

Our engagement team has direct, relevant experience providing agreed-upon procedures (AUP) and serving public and private pension funds, with the industry knowledge and specific technical and functional capabilities to effectively address your needs. We will deliver an informed and fresh, diverse perspective to IPOPIF's engagement.

The Mitchell Titus team to serve IPOPIF has the qualifications, experience to perform AUP, employee benefit plan services and a proven engagement approach to ensure the execution of seamless service delivery. Furthermore, as a certified minority business enterprise, Mitchell Titus represents the change that is needed in the world today. We are achieving excellence for our clients and embodying the drive toward a more equitable society.

Our team to serve



Relevant qualifications

Mitchell Titus has a dedicated Government and Public Sector practice and an Employee Benefit Plan practice, including significant experience performing AUP. Our professionals have public defined benefit plan experience and:

- Will team with IPOPIF to provide high-quality service and become your trusted business advisor
- Possess the technical skills and commitment to meet IPOPIF's expectations
- Have access to standard-setters offering direct knowledge to you and timely resolution of technical issues
- Keep our clients abreast of the latest trends and changes in the profession





Understanding IPOPIF's needs

▪ Scope of work

- We will apply the AUP to assist IPOPIF and the Illinois Department of Insurance (IDOI) in evaluating local Police Pension Funds established under Article 3 of the Illinois Pension Code (Article 3 Funds) compliance with the Section 1A-104 of the Illinois Pension Code, 40 ILCS 5/1-101, et seq. (Pension Code) for the years ended (ing) December 31, 2023 - 2026.
- Our engagement to apply AUP will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

▪ Matters of importance to IPOPIF

- Experienced team that understands the operations and regulations governing public pension funds, with outstanding organizational and communication skills
- A firm with an established AUP approach, with leading and best practices executing AUP engagements
- High-quality client service delivery
- Efficient and flexible approach and work arrangement
- Adherence to deadlines and milestones

Mitchell Titus will be focused on those matters that we understand are of value and importance to IPOPIF.

Integrated and tailored AUP methodology and approach

To deliver seamless client service, our risk-based service delivery model is integrated to include the following four phases:

- Phase I.**
 - Reaffirm scope of work and expectations
 - Refine the actual procedures to be performed and number of Article 3 Funds assigned to the firm.
 - Finalize engagement agreement
- Phase II.**
 - Develop detailed project plan
 - Finalize and schedule timing of AUP's for each Article 3 Fund
 - Develop universal preliminary audit request listing
 - Deliver PBC listing to Article 3 Funds through Suralink, a secure portal for managing and receiving document requests
- Phase III.**
 - Execute actual procedures for each Article 3 Fund
- Phase IV.**
 - Conduct exit call with Article 3 Funds to discuss any findings
 - Submit draft report for review
 - Coordinate Article 3 responses to any findings
 - Issue final reports

Exceptional client service

- ✓ **Connect**
 - Understand your business issues
 - Understand and meet your expectations
- ✓ **Respond**
 - Prompt communication
 - Seek/provide feedback
- ✓ **Insights**
 - Proactive knowledge sharing
 - Deliver technical excellence

Security of information

Embedded within our service delivery approach is the importance of a secure work environment. We understand and advocate for the fact that an effective cyber risk management program is no longer a luxury, it is a necessity.

Mitchell Titus uses industry standard best practices to secure its environment. Endpoints are encrypted with AES-256 encryption. Data in transit is encrypted with TLS. Data at rest on the servers is also encrypted with AES-256. Data is stored at Rackspace and at Microsoft Office 365. Rackspace and Microsoft SOC2 reports address additional security layers, including physical security. Endpoints are protected with Sentinel One EDR. All endpoints are managed by an MSP patch management program and are monitored by an MSP RMM program. Access to all systems remotely is protected by MFA. Security policies are reviewed and adapted annually.

A diverse skill set and perspective

Mitchell Titus is a registered minority business enterprise with various state and local governments, regional affiliates of the National Minority Supplier Development Council, and numerous Fortune 1000 companies.

More than 80% of our professionals are minorities, representing more than 35 countries.

Our commitment to the recruitment, retention, and career development of women and ethnic minorities is a critical element of our business strategy.



The Mitchell Titus difference

- **Experienced professionals and subject matter specialists** – a team of experienced professionals with direct access to subject matter specialists, all prepared to leverage their industry knowledge and best practices
- **Quality control** – embedded second partner on the engagement team focused on quality control as well as a professional practice director to consult on regulatory and AUP issues
- **Structure** – sound engagement approach that ensures meeting deadlines for deliverables and providing timely updates on issues that may arise and their related cost ramifications, if any, to avoid “late surprises”
- **Value** – a proven client service approach that is based on our proactive philosophy, which results in detailed reporting and deliverables that are substantive, ultimately driving value for our clients
- **Efficiency** – a seamless transition process, planned through efficient coordination and transparent communication
- **Insights** – a new, informed perspective from evidence-based methodologies and leading practices

While quality, service and industry experience are key considerations in the professional services firm you select, we recognize that fees are an extremely important factor in determining the overall value of your service provider relationship. Our team is committed to providing high-quality, responsive service at a reasonable cost.



Board of Trustees meeting agenda with materials - All agenda items are pending Board of Trustees review and action

Achieving excellence together

Mitchell Titus is ready to engage with you.

Our firm's mission is to be recognized for quality, integrity and value, and for the continued commitment to its people and the communities in which we serve.



About Mitchell Titus

Mitchell & Titus, LLP is the largest minority-controlled accounting firm offering Assurance, Tax and Advisory services in the US.

Our inclusive environment and diverse talent result in creative thinking and innovative approaches for our clients. Mitchell Titus' tenured team of quality and seasoned professionals bring varied insight to every engagement.

For more information about our organization, please visit mitchelltitus.com.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

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Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Agreed Upon Procedures: Article 3 Pension Fund Examinations

Illinois Police Officers' Pension Investment Fund

Actuarial

Audit

Financial
Services

Pension

Tax

The Experts in Pension Fund Administration

- Over 25 years of service
 - *Pension (benefits, accounting, PSA, RID), Audit, Actuary, Tax, Financial Services*
- **L&A is the recognized expert and go-to resource for pension fund administration**
 - 200+ employees, including 13 Partners and more than 50 Principals/Managers
- We provide services to over 500 Downstate Illinois Pension Funds (278 of the 357 Article 3 Funds)
 - Our Pension Fund clients are in every corner of the state, ranging from zero to over 500 members.
- Repeatedly invited to speak at pension fund and municipal government conferences, collaborate on written publications
- In addition, we work directly with municipal/district employers, attorneys, the IRS and the **IDOI**
 - IDOI work includes
 - Filing over 400 Annual Compliance Reports
 - Providing client assistance with IDOI Compliance Audits
 - Co-presentations and combined training at pension fund conferences
 - BETA tester for prior benefit calculators and filing programs

2



The Experts in Pension Benefits

- 15-person Benefits Team, including
 - Allison Barrett, Partner, 21+ years
 - Jessica Doogan, Principal, 15+ years
 - Mike Langenfeld, 11+ years at L&A, 15 years at IDOI Pension Division
- Remit monthly benefits to 18,000+ pensioners
- Assist 17,000+ active members
- Calculations include
 - Tier 1 and Tier 2 pension benefits
 - *Retirement, Disability, Conversion, Survivor*
 - *Benefits “Audit” for newly engaged pension funds*
 - All Transfers and Purchases of Creditable Service
 - *Portability, Reciprocity, Military, Refund Repayments, Disability Buy Backs, Miscellaneous Unpaid Breaks, IMRF, SERS, SURS*

The Experts in Accounting

- 17-person Accounting Team, including
 - A.J. Weber, Partner, CPA, 13+ years
 - Derek Flessner, Principal, CPA, 10+ years
 - Stephanie Masson, 25+ years
- Monthly Compilations to Annual Reporting
 - Monthly Accounting, Reconciliations, Journal Entries
 - *Includes Investment Reporting (pre- and post-consolidation)*
 - Municipal Compliance Report (P.A. 095-0950)
 - Audit Workpapers
 - IDOI Annual Compliance Report
 - *All Schedules, Interrogatories*
 - *Pensionable Salary and Member Contribution Review*
 - *Coordinate filing of annual actuarial report and annual financial audit*



The Experts in Professional Administration

- 20-person PSA Team, including
 - Michelle Rice, Principal, 7+ years
 - Amanda Secor, 7+ years
- Trustee “Life Line”
- Services include
 - Board Meetings (agendas, board packets, meeting minutes)
 - Member File Maintenance
 - Trustee Elections & Training
 - Affidavits of Eligibility
 - Assistance with IDOI Compliance Audits



Process

- Collaborate in the development of the detailed AUP for all vendor firms selected.
- Communicate directly with Article 3 Funds
 - Required documentation
 - Secure Portal
 - Deadline requirements
 - Point of contact
- Flexible staffing to cover any changes to the number of examinations being performed or to update an examination if additional information is provided.

Process

- AUP parameters
 - Availability to complete up to 60 compliance audits per year
 - 111 Article 3 Funds for whom we provide no services examined by the compliance audit process.
 - Anticipate 15-20 hours per compliance audit

The Experts in Pension Fund Administration

This Is What We Do.

Our growth is attributed to word of mouth.

Trustees know us, are comfortable working with us.

Most Knowledgeable and Deepest Bench in the State.

Our experience brings clients to our door, our service invites them in.



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Thank You

A.J. Weber, Partner, CPA

Allison Barrett, Partner

Derek Flessner, Principal, CPA

Illinois Police Officers' Pension Investment Fund

PRESENTATION FOR AGREED-UPON PROCEDURES

January 19, 2024



About KEB

- Established in 1931, KEB is a leading Midwestern accounting, consulting and advisory firm. With offices in Illinois, Missouri and Wisconsin, we bring the expertise of a national firm with the culture and understanding of a local team.
- Working with KEB guarantees a multi-level commitment to quality and client service. Clients regularly with partners and, year after year, have access to a consistent KEB team. This fosters and maintains a strong working knowledge of the client's challenges and needs.
 - **COMPLEXITY SOLVED** - Our team is your resource for any questions, ready to step in and lend a hand with complexities arise
 - **INSIGHT THROUGH UNDERSTANDING** - Success comes with seeing the big picture of who you are, how you work, and what you hope to achieve
 - **POWERED BY PEOPLE** – our people-first approach to serving clients starts with a team who genuinely enjoys getting to know their clients.



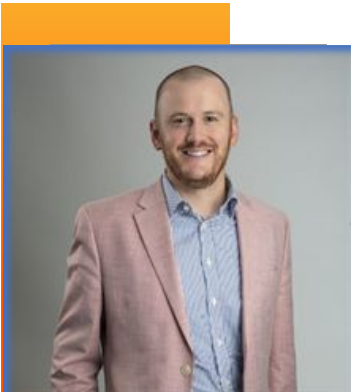
Service Approach

- Provide highly skilled team comprised of a partner with supporting managers and qualified staff.
- Provide seamless and effective delivery of service through proper scheduling of resources and team supervision.
- Regularly communicate progress throughout the audit process and immediately discuss significant issues.
- Provide exceptional service that is responsive to your needs.
- Add value by offering ideas, recommendations and alternatives.

Your KEB Team



PARTNER
Michelle Steckel CPA



MANAGER
Jacob Cullen CPA



MANAGER
Grant Bale CPA

Outline of Plan to Conduct AUPs

- Propose 2 tranches a year
- Each tranche process takes about 6-7 months
- Regularly collaborate with IPOPIF and other CPA firms to ensure process is going well
- Timeline is longer due to need to work around the Article 3 Funds' board meetings
- Detailed proposed procedures have been tied to the applicable statute
- Allow the Article 3 Funds time to provide support to eliminate findings after draft report has been delivered, along with time for them to provide a formal written response, if desired

Key Differentiators

- We have worked with your organization through the asset transition - Certified Asset List AUP engagements
- We have been through the 1st Tranche as Pension Fund examiner for FPIF and are in the process of going through the second
 - Due to this experience, our comfort with the statute requirements has grown and the process of the completing the procedures is increasingly streamlined.
 - The staffing team assigned to the completion of IPOPIF agreed-upon procedures engagements would be the same teams as those already working on FPIF



Guiding Success

kebcpa.com  

3200 Robbins Road, Suite 200A, Springfield, IL 62704 | 217.789.0960

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



MEMORANDUM

TO: Board of Trustees

FROM: Richard White, Executive Director
Regina Tuczak, Chief Financial Officer

RE: Agenda Item 3.2 – NOVEMBER AND DECEMBER MONTHLY FINANCIAL STATEMENTS

DATE: February 9, 2024

RECOMMENDATION: Approve the Monthly financial statements for November and December 2023.

As reported by the Fund’s Chief Investment Officer, Kent Custer, investment performance for the last two months of 2023 was strong, with Investment Income of over \$590 million and \$471 million in the months of November and December, respectively.

The December monthly financials reflect an investment balance of just over \$10.0 billion as of December 31, 2023.

Participant fund activity was cash negative for the month of November and cash positive for the month of December. Participant fund withdrawals exceeded contributions by approximately (\$19,403,000) in November; and participant fund contributions exceeded withdrawals by approximately \$27,164,000 in December.

November Contributions \$24,867,950	December Contributions \$66,842,104
November Withdrawals (\$44,270,771)	December Withdrawals (\$39,678,505)

There were 127 cash contributions and 182 cash withdrawals in November (total of 309 transactions) and 180 cash contributions and 171 cash withdrawals in December (total of 352 transactions).

State Street reported 883 unique Cash Management users on eCFM as of January 10, 2024.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



MONTHLY FINANCIAL REPORT

FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2023

MODIFIED CASH BASIS

PREPARED BY: THE STAFF OF THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Statement of Fiduciary Net Position

As of November 30, 2023, and 2022

	<u>November 30, 2023</u>	<u>November 30, 2022</u>
Assets		
Cash		
Lake Forest Bank & Trust	\$ 105,783	\$ 1,022,550
Total Cash	105,783	1,022,550
 Investments		
Investments	9,533,282,659	7,720,073,550
Total Investments	9,533,282,659	7,720,073,550
 Other Assets		
Net IMRF Pension Asset	7,426	-
Total Other Assets	7,426	-
Total Assets	9,533,395,868	7,721,096,100
 Deferred Outflows of Resources		
Deferred outflows related to IMRF Pension	80,309	-
 Liabilities		
Illinois Finance Authority Loan	-	6,486,046
Capitalized Interest	-	79,635
Total Payables	-	6,565,681
 Accrued Expenses		
Payroll & Related	141,730	91,956
Professional	10,240	682,319
General	-	89,626
Total Accrued Expenses	151,970	863,901
Total Liabilities	151,970	7,429,582
Net Position Restricted	9,533,324,207	7,713,666,518

Illinois Police Officers' Pension Investment Fund
Statement of Changes in Fiduciary Net Position
For the five months ended November 30, 2023, and 2022

	<u>November 30, 2023</u>	<u>November 30, 2022</u>
Additions		
Proceeds		
Cash Received from Local Funds	192,974,101	82,925,810
Investments Received from Local Funds	13,100,419	4,700,322,831
Total Proceeds	206,074,520	4,783,248,641
Investment Income (Loss)		
Lake Forest Bank & Trust	256	6,370
Interest	26,148,222	19,768,438
Net appreciation (depreciation) in fair value of investments	107,342,582	185,414,236
Net Investment Income (Loss)	133,491,060	205,189,044
Total Additions	339,565,580	4,988,437,685
Deductions		
Administrative Expenses		
Board of Trustees & Meetings	(34,199)	(12,830)
Administrative Operations	(663,229)	(680,662)
Investment Operations	(499,654)	(599,897)
Total Administrative Expenses	(1,197,082)	(1,293,389)
Participating Fund Withdrawals	(191,640,310)	(8,226,210)
Total Deductions	(192,837,392)	(9,519,599)
Net Increase (Decrease)	146,728,188	4,978,918,086
Net Position Restricted		
Beginning of the Year	9,386,596,019	2,734,748,434
End of the Period	9,533,324,207	7,713,666,520

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Additions Report for the Five Months Ended November 30, 2023

	Received <u>this Month</u>	Budgeted <u>this Month</u>	Received this <u>Fiscal Year</u>	Budgeted this <u>Fiscal Year</u>
Additions				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	24,867,950	-	192,974,101	-
Investments Received from Local Funds	-	-	13,100,419	-
	24,867,950	-	206,074,520	-
<u>Investment Income (Loss)</u>				
Interest & Dividends	6,141,780	-	26,148,478	-
Net appreciation (depreciation)	584,638,352	-	107,342,582	-
	590,780,132	-	133,491,060	-
Total Additions	615,648,082	-	339,565,580	-

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Five Months Ended November 30, 2023

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Year</u>	<u>Budgeted this Year</u>
Expenditures				
Board of Trustees and Meetings				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Administrative Services</i>	-	4,950	3,200	59,400
<i>Election Services</i>	-	-	13,793	-
Education and Training	-	3,000	-	36,000
Meeting Expenses	7,925	4,583	14,711	55,000
Board Member Reimbursements	316	2,787	2,495	33,440
Municipal Reimbursements	-	992	-	11,900
	<u>8,241</u>	<u>16,312</u>	<u>34,199</u>	<u>195,740</u>
Administrative Operations				
<u>Personnel</u>				
Administrative Personnel	66,439	71,674	297,420	860,088
Employment Expenses				
<i>FICA/Medicare</i>	3,444	4,921	18,077	59,052
<i>Medical/Dental Benefits</i>	5,569	10,399	50,080	124,788
<i>Unemployment</i>	-	113	392	1,354
<i>Retirement Benefits</i>	3,976	4,464	14,526	53,570
	<u>79,428</u>	<u>91,571</u>	<u>380,495</u>	<u>1,098,852</u>
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	-	4,883	-	58,600
<i>Audit - Financial</i>	-	4,792	-	57,500
<i>Audit - Certified Asset List</i>	-	2,934	-	35,205
Administrative Services	-	3,975	-	47,700
Government Liaison	5,700	5,700	28,500	68,400
Actuarial Services	-	15,292	-	183,500
Outsourced Human Resources	-	1,000	419	12,000
Legal Services				
<i>Legal Services - General</i>	-	6,250	2,729	75,000
<i>Legal Services - Fiduciary</i>	8,212	10,417	21,331	125,000
Technology Services	68	1,000	2,324	12,000
Other Consulting Services	2,800	1,771	14,373	21,250
Communication Services	1,500	1,500	7,500	18,000
	<u>18,280</u>	<u>59,514</u>	<u>77,176</u>	<u>714,155</u>

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Five Months Ended November 30, 2023

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Year</u>	<u>Budgeted this Year</u>
Expenditures				
<u>Bank Services and Fees</u>				
Local Bank Fees	208	375	1,015	4,500
	208	375	1,015	4,500
<u>Services & Supplies</u>				
Assets under \$5,000	-	4,167	42,533	50,000
Insurance	-	8,918	106,906	107,017
Office Lease/Rent	5,375	5,375	26,875	64,500
Printing & Postage	49	2,833	7,162	34,000
Supplies & Maintenance	545	1,167	3,468	14,000
Telecommunication	1,364	1,417	6,361	17,000
Contingency	(2)	1,000	1	12,000
Dues / Licenses	274	6,549	4,989	78,586
Training & Education	180	1,000	1,350	12,000
Travel & Transportation	766	1,000	4,587	12,000
Utilities	(835)	667	(835)	8,000
Website	200	1,667	1,146	20,000
	7,916	35,760	204,543	429,103
Investment Operations				
<u>Personnel</u>				
Investment Operations Personnel	64,715	83,333	251,938	1,000,000
Employment Expenses				
<i>FICA/Medicare</i>	3,176	5,279	11,281	63,344
<i>Medical/Dental Benefits</i>	5,066	8,795	24,908	105,542
<i>Unemployment</i>	96	66	96	790
<i>Retirement Benefits</i>	4,682	5,923	16,947	71,072
	77,735	103,396	305,170	1,240,748
<u>Investment & Banking</u>				
General Investment Consultant	106,875	35,625	106,875	427,500
Database Subscription(s)	-	3,178	-	38,135
Investment Management	-	115,417	19,953	1,385,000
Custodial Services	36,639	38,333	67,656	460,000
	143,514	192,553	194,484	2,310,635

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund Deductions Report for the Five Months Ended November 30, 2023

	Expended <u>this Month</u>	Budgeted <u>this Month</u>	Expended <u>this Year</u>	Budgeted <u>this Year</u>
Expenditures				
Total Expenditures	335,322	499,481	1,197,082	5,993,733
Participating Fund Withdrawals	44,270,771		191,640,310	
Total Deductions	44,606,093		192,837,392	

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



MONTHLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

MODIFIED CASH BASIS

PREPARED BY: THE STAFF OF THE ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Statement of Fiduciary Net Position

As of December 31, 2023, and 2022

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash		
Lake Forest Bank & Trust	\$ 103,608	\$ 600,704
Total Cash	103,608	600,704
 Investments		
Investments	10,001,345,952	8,439,681,808
Total Investments	10,001,345,952	8,439,681,808
 Other Assets		
Net IMRF Pension Asset	7,426	-
Total Other Assets	7,426	-
Total Assets	10,001,456,986	8,440,282,512
 Deferred Outflows of Resources		
Deferred outflows related to IMRF Pension	80,309	-
 Liabilities		
Illinois Finance Authority Loan	-	6,486,046
Capitalized Interest	-	79,635
Total Payables	-	6,565,681
 Accrued Expenses		
Payroll & Related	139,619	97,252
Professional	7,740	671,838
General	-	89,626
Total Accrued Expenses	147,359	858,716
Total Liabilities	147,359	7,424,397
Net Position Restricted	10,001,389,936	8,432,858,115

Illinois Police Officers' Pension Investment Fund
Statement of Changes in Fiduciary Net Position
For the Six Months Ended December 31, 2023, and 2022

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Additions		
Proceeds		
Cash Received from Local Funds	259,816,205	105,122,345
Investments Received from Local Funds	13,100,419	5,580,116,332
Total Proceeds	272,916,624	5,685,238,677
Investment Income (Loss)		
Lake Forest Bank & Trust	306	7,555
Interest	31,118,887	29,984,738
Net appreciation (depreciation) in fair value of investments	543,943,709	(334,191)
Net Investment Income (Loss)	575,062,902	29,658,102
Total Additions	847,979,526	5,714,896,779
Deductions		
Administrative Expenses		
Board of Trustees & Meetings	(39,948)	(7,649)
Administrative Operations	(906,850)	(975,465)
Investment Operations	(919,996)	(728,121)
Total Administrative Expenses	(1,866,794)	(1,711,235)
Participating Fund Withdrawals	(231,318,815)	(15,075,861)
Total Deductions	(233,185,609)	(16,787,096)
Net Increase (Decrease)	614,793,917	5,698,109,683
Net Position Restricted		
Beginning of the Year	9,386,596,019	2,734,748,434
End of the Period	10,001,389,936	8,432,858,117

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Additions Report for the Six Months Ended December 31, 2023

	Received <u>this Month</u>	Budgeted <u>this Month</u>	Received this <u>Fiscal Year</u>	Budgeted this <u>Fiscal Year</u>
Additions				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	66,842,104	-	259,816,205	-
Investments Received from Local Funds	-	-	13,100,419	-
	66,842,104	-	272,916,624	-
<u>Investment Income (Loss)</u>				
Interest & Dividends	4,970,717	-	31,119,193	-
Net appreciation (depreciation)	436,601,127	-	543,943,709	-
	441,571,844	-	575,062,902	-
Total Additions	508,413,948	-	847,979,526	-

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Six Months Ended December 31, 2023

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Year</u>	<u>Budgeted this Year</u>
Expenditures				
Board of Trustees and Meetings				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
<i>Administrative Services</i>	-	4,950	3,200	59,400
<i>Election Services</i>	5,092	-	18,885	-
Education and Training	-	3,000	-	36,000
Meeting Expenses	-	4,583	14,711	55,000
Board Member Reimbursements	657	2,787	3,152	33,440
Municipal Reimbursements	-	992	-	11,900
	<u>5,749</u>	<u>16,312</u>	<u>39,948</u>	<u>195,740</u>
Administrative Operations				
<u>Personnel</u>				
Administrative Personnel	64,020	71,674	361,440	860,088
Employment Expenses				
<i>FICA/Medicare</i>	2,630	4,921	20,706	59,052
<i>Medical/Dental Benefits</i>	7,246	10,399	57,326	124,788
<i>Unemployment</i>	-	113	392	1,354
<i>Retirement Benefits</i>	3,849	4,464	18,375	53,570
	<u>77,745</u>	<u>91,571</u>	<u>458,239</u>	<u>1,098,852</u>
<u>Professional Services</u>				
Finance				
<i>Accounting</i>	-	4,883	-	58,600
<i>Audit - Financial</i>	47,500	4,792	47,500	57,500
<i>Audit - Certified Asset List</i>	-	2,934	-	35,205
Administrative Services	-	3,975	-	47,700
Government Liaison	5,700	5,700	34,200	68,400
Actuarial Services	95,275	15,292	95,275	183,500
Outsourced Human Resources	-	1,000	419	12,000
Legal Services				
<i>Legal Services - General</i>	-	6,250	2,729	75,000
<i>Legal Services - Fiduciary</i>	3,334	10,417	24,664	125,000
Technology Services	1,013	1,000	3,337	12,000
Other Consulting Services	2,975	1,771	17,348	21,250
Communication Services	1,500	1,500	9,000	18,000
	<u>157,297</u>	<u>59,514</u>	<u>234,472</u>	<u>714,155</u>

Illinois Police Officers' Pension Investment Fund

Deductions Report for the Six Months Ended December 31, 2023

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Year</u>	<u>Budgeted this Year</u>
Expenditures				
<u>Bank Services and Fees</u>				
Local Bank Fees	202	375	1,218	4,500
	202	375	1,218	4,500
<u>Services & Supplies</u>				
Assets under \$5,000	-	4,167	42,533	50,000
Insurance	-	8,918	106,906	107,017
Office Lease/Rent	5,375	5,375	32,250	64,500
Printing & Postage	-	2,833	7,162	34,000
Supplies & Maintenance	304	1,167	3,773	14,000
Telecommunication	1,343	1,417	7,704	17,000
Contingency	(1)	1,000	1	12,000
Dues / Licenses	725	6,549	5,714	78,586
Training & Education	-	1,000	1,350	12,000
Travel & Transportation	-	1,000	4,587	12,000
Utilities	-	667	(835)	8,000
Website	630	1,667	1,776	20,000
	8,376	35,760	212,921	429,103
Investment Operations				
<u>Personnel</u>				
Investment Operations Personnel	65,842	83,333	317,780	1,000,000
Employment Expenses				
<i>FICA/Medicare</i>	3,176	5,279	14,456	63,344
<i>Medical/Dental Benefits</i>	4,739	8,795	29,647	105,542
<i>Unemployment</i>	17	66	113	790
<i>Retirement Benefits</i>	4,487	5,923	21,434	71,072
	78,261	103,396	383,430	1,240,748
<u>Investment & Banking</u>				
General Investment Consultant	-	35,625	106,875	427,500
Database Subscription(s)	40	3,178	40	38,135
Investment Management	305,070	115,417	325,023	1,385,000
Custodial Services	36,973	38,333	104,628	460,000
	342,083	192,553	536,566	2,310,635
Total Expenditures	669,713	499,481	1,866,794	5,993,733
Participating Fund Withdrawals	39,678,505		231,318,815	
Total Deductions	40,348,218		233,185,609	

Warrant #24-07 Paid 1-2-2024



Expenses for Ratification - February 9, 2024 Board Meeting

BOARD OF TRUSTEES and MEETINGS **Professional Services - Election Services**

	Survey & Ballot Systems Inc	
12/28/2023	Election services for the 2024 Paper Election, Phase 01 Invoice #18657	\$4,965.00

Education and Training

	Michael Inman	
12/15/2023	Out of pocket reimbursement for conference fee and travel to Las Vegas, NV, for January 28-30, 2024, NAPO Pension Seminar	\$1,212.66
	Philip Suess	
12/29/2023	Out of pocket reimbursement for CFA professional development course	\$799.00
	Total Board of Trustees and Meetings Education and Training Expense	\$2,011.66

Meeting Expenses

	Sound & Light Creations by Scott Fort	
12/28/2023	Sound system with table top microphones and video screen at Peoria Marriott Pere Marquette for Committee and Board Meetings December 14-15, 2023, Invoice #12142301	\$1,740.00
	Richard White	
12/22/2023	Out of pocket reimbursement for meeting space at Peoria Marriott Pere Marquette for Committee and Board Meetings on December 14-15, 2023	\$4,699.80
	Total Board of Trustees and Meetings Meeting Expense	\$6,439.80

Board Member Reimbursements

	Elizabeth Holleb	
12/28/2023	Out of pocket reimbursement for hotel and travel for December 14, 2023, Committee Meeting and December 15, 2023, Board Meeting	\$394.40
	Daniel Hopkins	
12/18/2023	Out of pocket reimbursement for hotel, travel and expenses for December 14, 2023, Committee Meeting and December 15, 2023, Board Meeting	\$337.60
	Michael Inman	
12/15/2023	Out of pocket reimbursement for hotel and travel for December 15, 2023, Board Meeting	\$237.77

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Warrant #24-07 Paid 1-2-2024



Expenses for Ratification - February 9, 2024 Board Meeting

Board Member Reimbursements (continued)

	Philip Suess	
12/27/2023	Out of pocket reimbursement for hotel and travel for December 14, 2023, Committee Meeting and December 15, 2023, Board Meeting	\$360.55
	Total Board of Trustees and Meetings Board Member Reimbursements	\$1,330.32
TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES		\$14,746.78

ADMINISTRATIVE OPERATIONS

Professional Services - Finance

Audit - Financial

	Sikich LLP	
12/21/2023	Professional services rendered in connection with year end 2023 audit final billing for December 31, 2023, Invoice #38226	\$10,000.00

Professional Services - Legal

General

	Reimer Dobrovoly & Labardi PC	
12/6/2023	Legal services rendered and disbursements for the period August 7 2023, to October 13, 2023, Invoice #2851-29926	\$11,569.20

Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
12/13/2023	Legal services rendered in November 2023 regarding general matters, Invoice #401	\$5,546.00

Professional Services - Communication

	Shepherd Communications	
12/29/2023	Professional Service Fee for January 2024	\$1,500.00

Professional Services - Other Consulting Services

	MCS Consulting LLC	
12/10/2023	Consulting Services for Strategic Planning for November 2023, Invoice #1125	\$2,800.00

Services and Supplies

Office Lease

	City of Peoria	
1/1/2024	Rent for January 2024	\$5,375.00

Warrant #24-07 Paid 1-2-2024



Expenses for Ratification - February 9, 2024 Board Meeting

Services and Supplies (continued)

Printing & Postage

	Samantha Lambert	
12/11/2023	Out of pocket reimbursement for postage for overnight mailing of documents to Board of Trustee member, December 2023	\$36.60
	TaMaYo Design, Inc.	
12/1/2023	Initial billing of ACFR graphic design work, Invoice #IPOP	\$2,625.00
12/19/2023	Second billing of ACFR graphic design work including stock photography and logo design, Invoice #IPOP 002	\$3,415.00
	Total Services and Supplies, Printing & Postage	\$6,076.60

Supplies & Maintenance

	The Cleaning Source	
12/28/2023	Weekly cleaning service for December 2023, Invoice #IP1223	\$186.00

Telecommunications

	AmeriCALL	
12/4/2023	Monthly telephone charges, 12/4/2023 to 1/3/2024, Invoice #3114235	\$335.71
	Comcast	
12/12/2023	Monthly data, voice, secure packaged services, 12/16/23 - 1/15/24	\$247.00
	Total Services and Supplies, Telecommunications	\$582.71

Dues & Licenses

	ADP, Inc.	
11/10/2023	Processing CA state charges for period ending October 31, 2023, Debit #646324205	\$8.95
12/15/2023	Processing CA state charges for period ending November 30, 2023, Debit #6486689895	\$8.95
	Government Finance Officers Association (GFOA)	
12/29/2023	Certificate of Achievement review fee for Fiscal Year 2023 ACFR report, Invoice #00018737	\$460.00
	Illinois Government Finance Officers Association (IGFOA)	
12/29/2023	Annual membership renewal dues for 2024, CFO, R. Tuczak, and Senior Accountant, A. Zick	\$250.00
	Levi, Ray & Shoup, Inc.	
12/5/2023	LRS Axcient CloudFinder for Office 365 backup, 25 licenses, November 2023, Invoice #310103	\$125.00

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Warrant #24-07 Paid 1-2-2024



Expenses for Ratification - February 9, 2024 Board Meeting

Services and Supplies

Dues & Licenses (continued)

	Thomson Reuters	
12/14/2023	NetStaff CS Web Services fees, November 2023, Invoice #WS11164485	\$466.00
	Total Services and Supplies, Dues & Licenses	\$1,318.90

Travel & Transportation

	Katherine Cobb	
11/27/2023	Out of pocket reimbursement for parking fees, November 2023	\$81.00
12/6/2023	Out of pocket reimbursement for parking fees, December 2023	\$81.00
	Samantha Lambert	
12/11/2023	Out of pocket reimbursement for parking fees, December 2023	\$81.00
	Total Services and Supplies, Travel & Transportation	\$243.00

Website

	Levi, Ray & Shoup, Inc.	
12/5/2023	Website hosting and related support, November 2023, Invoice #310102	\$200.00
	Pension Technology Group	
12/1/2023	Pension Fund App annual support and maintenance fee, Invoice #3231	\$10,000.00
	Amy Zick	
12/27/2023	Out of pocket reimbursement for professional headshot for website	\$99.00
	Total Services and Supplies, Website	\$10,299.00

TOTAL ADMINISTRATIVE OPERATIONS EXPENSES **\$55,496.41**

INVESTMENT OPERATIONS

Investment & Banking

Investment Management

	RhumbLine Advisors	
12/13/2023	Investment Management Services for November 2023 \$2,540,970,815 AUM, .5bps, Invoice #gipop12023November	\$10,587.00

Custodial Services

	State Street Bank & Trust Company	
12/14/2023	Custody Fees, Charges and Expenses for October 2023 Invoice #2310149465-6011	\$33,740.21

TOTAL INVESTMENT OPERATIONS EXPENSES **\$44,327.21**

TOTAL EXPENSES FOR RATIFICATION **\$114,570.40**

Warrant #24-08 Paid 2-1-2024



Expenses for Ratification - February 9, 2024 Board Meeting

BOARD OF TRUSTEES and MEETINGS

Education and Training

	Richard White	
1/25/2024	Out of pocket reimbursement for NAPO Pension Seminar Registration Fee for Trustee Daniel Hopkins	\$745.00
	Daniel Hopkins	
1/15/2024	Out of pocket reimbursement for airfare for NAPO Pension Seminar on January 28 to 31, 2024	\$540.41
	Paul Swanlund	
1/2/2024	Out of pocket reimbursement for CFA Institute, Investment Foundations Certificate	\$350.00
	Total Board of Trustees and Meetings Education and Training Expense	\$1,635.41

Meeting Expenses

	Sound & Light Creations by Scott Fort	
1/26/2024	Sound system with table top microphones and video screen at Peoria Marriott Pere Marquette for Board Meeting, January 19, 2024, Invoice #1192401	\$1,566.00
	Richard White	
1/25/2024	Out of pocket reimbursement for meeting space, audio visual and food at Marriott Pere Marquette for Board Meeting on January 19, 2024	\$2,709.24
	Total Board of Trustees and Meetings Meeting Expense	\$4,275.24

Board Member Reimbursements

	Lee Catavu	
12/30/2023	Out of pocket reimbursement for travel for December 15, 2023, Board Meeting	\$160.58
1/23/2024	Out of pocket reimbursement for travel for January 19, 2024, Board Meeting	\$158.12
	Philip Suess	
1/26/2024	Out of pocket reimbursement for hotel and travel for January 19, 2024, Board Meeting	\$454.33
	Total Board of Trustees and Meetings Board Member Reimbursements	\$773.03

TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES	\$6,683.68
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Warrant #24-08 Paid 2-1-2024



Expenses for Ratification - February 9, 2024 Board Meeting

ADMINISTRATIVE OPERATIONS

Professional Services - Finance

Accounting

	Lauterbach & Amen, LLP	
8/23/2023	Professional accounting services for July 2023, Invoice #81605	\$4,987.50
9/22/2023	Professional accounting services for August 2023, Invoice #82362	\$6,768.75
10/13/2023	Professional accounting services for September 2023, Invoice #83858	\$2,368.75
11/30/2023	Professional accounting services for October 2023, Invoice #84898	\$406.25
12/14/2023	Professional accounting services for November 2023, Invoice #85716	\$862.50
	Total Accounting Professional Services Expenses	\$15,393.75

Professional Services - Government Liaison

	Vision M.A.I. Consulting	
1/1/2024	Professional services rendered for January 2024, Invoice #1	\$5,700.00
2/1/2024	Professional services rendered for February 2024, Invoice #2	\$5,700.00
	Total Government Liaison Professional Services Expenses	\$11,400.00

Professional Services - Actuarial Services

	Foster & Foster, Inc.	
1/4/2024	Preparation of Fiscal Year 2023 Actuarial Valuation Reports for 43 participating pension funds and additional 13.0 hours of data work for valuations, Invoice 29593	\$26,500.00

Professional Services - Human Resources

	Lauterbach & Amen, LLP	
9/8/2023	Professional services rendered for August 2023, Invoice #82324	\$881.25
10/13/2023	Professional services rendered for September 2023, Invoice #83857	\$1,218.75
11/7/2023	Professional services rendered for October 2023, Invoice #84711	\$1,068.75
12/8/2023	Professional services rendered for November 2023, Invoice #84711	\$600.00
	Total Human Resources Professional Services Expenses	\$3,768.75

Professional Services - Legal

Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
1/12/2024	Legal services rendered in December 2023 regarding general matters, and bank loans RFP, Invoice #430	\$12,685.00

Professional Services - Other Consulting Services

	MCS Consulting LLC	
1/15/2024	Consulting Services for Strategic Planning for December 2023, Invoice #1126	\$3,850.00

Warrant #24-08 Paid 2-1-2024



Expenses for Ratification - February 9, 2024 Board Meeting

Services and Supplies

Office Lease

	City of Peoria	
2/1/2024	Rent for February 2024	\$5,375.00

Supplies & Maintenance

	CityBlue Technologies, LLC	
1/16/2024	Epson AM-C4000 Cyan Ink and delivery charge, Invoice I266125	\$352.00
	The Cleaning Source	
1/25/2024	Weekly cleaning service for January 2024, Invoice #IP0124	\$193.00
	ODP Business Solutions, LLC	
1/11/2024	Office supplies, 3 cases of paper, 12 pack 5x8 pads, letter opener Invoice #348287152001	\$133.18
1/11/2024	Office supplies, Pack 8.5x11 pads, 100 pk clear covers, 50 pk combs Invoice #348620838001	\$89.12
1/15/2024	Office supplies, Sign with metal base, qty 2 Invoice #348286497001	\$37.98
	Total Services and Supplies, Supplies & Maintenance	\$805.28

Telecommunications

	AmeriCALL	
1/4/2024	Monthly telephone charges, 1/4/2024 to 2/3/2024, Invoice #3149811	\$309.71
	Comcast	
1/12/2024	Monthly data, voice secure packaged services, 1/16/24 - 2/15/24	\$252.23
	Total Services and Supplies, Telecommunications	\$561.94

Dues & Licenses

	ADP, Inc.	
1/12/2024	Processing charges for year end W2 statements, 2023 Debit #652292339	\$146.90
1/24/2024	Processing charges for period ending December 31, 2023, Debit #650857140	\$8.95
	Levi, Ray & Shoup, Inc.	
1/4/2024	LRS Axcient CloudFinder for Office 365 backup, 25 licenses, December 2023, Invoice #312069	\$125.00
	Thomson Reuters	
1/18/2024	NetStaff CS Web Services fees, December 2023, Invoice #WS11191446	\$466.00
	Richard White	
1/25/2024	Out of pocket expense reimbursement for Lobbyist Registration with the Illinois Secretary of State	\$306.75
	Total Services and Supplies, Dues & Licenses	\$1,053.60

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

Warrant #24-08 Paid 2-1-2024



Expenses for Ratification - February 9, 2024 Board Meeting

Services and Supplies (continued)

Training & Education

	Illinois Government Finance Officers Association (IGFOA)	
1/22/2024	Professional development seminar, Pension Institute Webinar, 2024, A Zick	\$120.00

Travel & Transportation

	Katherine Cobb	
1/8/2024	Out of pocket reimbursement for parking fees, January 2024	\$81.00
	Samantha Lambert	
1/8/2024	Out of pocket reimbursement for parking fees, January 2024	\$81.00
	Total Services and Supplies, Travel & Transportation	\$162.00

Website

	Levi, Ray & Shoup, Inc.	
1/4/2024	Website hosting and related support, December 2023, Invoice #312068	\$200.00

TOTAL ADMINISTRATIVE OPERATIONS EXPENSES **\$81,875.32**

INVESTMENT OPERATIONS

Investment & Banking

Database Subscriptions

	MSCI Inc.	
1/9/2023	International Equity Data Package Subscription 2/1/23 - 1/31/24, Invoice #400157195	\$1,000.00

General Investment Consultant

	Verus Advisory, Inc.	
12/31/2023	Services for the quarter ending December 2023, Invoice #INV035769	\$106,875.00

Investment Management

	RhumblLine Advisors	
1/8/2024	Investment Management Services for December 2023, \$2,699,356,213 AUM, .5bps, Invoice #gipop12023December	\$11,247.00

Custodial Services

	State Street Bank & Trust Company	
1/22/2024	Custody Fees, Charges and Expenses for November 2023, Invoice #2311149465-6011	\$33,700.57
1/31/2024	Custody Fees, Charges and Expenses for December 2023, Invoice #2312149465-6011	\$34,916.12
	Total Investment Operations Investment & Banking Expenses	\$68,616.69

TOTAL INVESTMENT OPERATIONS EXPENSES **\$187,738.69**

TOTAL EXPENSES FOR RATIFICATION **\$276,297.69**



Illinois Police Officers' Pension Investment Fund

Bank Loan Investment Manager Selection February 9, 2024

Following a robust search process, IPOPIF investment staff and consultant are recommending two bank loan managers for selection by the IPOPIF Board of Trustees.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



IPOPIF

MEMORANDUM

DATE: January 31, 2024
TO: IPOPIF Board of Trustees
FROM: IPOPIF Investment Staff
SUBJECT: Bank Loan Manager Search Recommendation

Recommendation

IPOIF Staff and IPOPIF investment consultant, Verus, (together “Team”) recommend that the Board of Trustees approve the following investment managers and structure for the bank loan portfolio. The Team recommends an allocation of 2.0% of the total portfolio to the Aristotle Bank Loan Fund. In addition, the Team recommends an allocation of 1.0% of the total portfolio to the Ares Institutional Loan Fund. Funding for new bank loan strategies would come from the current allocation to high-yield debt which has a current allocation of 10% and a long-term allocation of 3%.

Background

Board agenda materials prepared for the 1/19/24 meeting included extensive documentation supporting the Bank Loan Manager Recommendation, including a detailed memo from IPOPIF Investment Staff, a supporting memo from Verus, a data presentation book from Verus, and presentations for each of the managers interviewed at the meeting. Four managers were interviewed including: Aristotle, Ares, Shenkman (Veteran Owned Firm), and Sycamore Tree (MWDBE/Emerging Firm). While no action was taken due to lack of quorum, eight members of the Board were able to participate in the manager interview process in person or via Zoom.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

MEMORANDUM

DATE: January 31, 2024
 TO: IPOPIF Board of Trustees
 FROM: Kent Custer, Chief Investment Officer
 SUBJECT: Transition of Assets Planning

Purpose

To review preparations for potential asset transfers from Article 3 funds and accept guidance from the Board of Trustees. Background reference information was reviewed at the 12/15/23 Board meeting and is not repeated in this memo.

Transition Manager

- Staff, Fiduciary Counsel, and State Street Global Markets (SSGM, Transition Manager) have drafted an amendment to the Transition Manager Agreement.
- SSGM has agreed to use the phase II (lower) fee schedule through 12/31/24.
- Board approval for the amendment will be requested at the 2/9/24 Board meeting.
- Commissions will be charged in the Transition Pool to isolate the costs to the Late Transferring Pension Funds.

Timing

Staff has reviewed timeline considerations and is gravitating toward a single transfer date of 10/1/24.

- Allows time to communicate with Late Transferring Pension Funds.
- Allows time for Late Transferring Pension Funds to take required actions at normally scheduled quarterly meetings. (E.g. – Appointment of Authorized Agents, Adoption of local cash management policies).
- Avoids transferring in June to provide year-end stability for financial reporting.
- Pushes transition trading after Labor Day when liquidity is expected to be somewhat stronger.
- Allows for full completion of asset transfer and transition by 12/31/24.
- No postponement of asset transfers will be allowed.

Process and Communications

- Staff is updating transition communication and documentation.
- Cash will be allowed as a transferable asset.
- Staff is evaluating reengaging Lauterbach and Amen to assist with reviewing Certified Investment Asset Lists and Reconciliations.
- Staff will evaluate if there are any other extraordinary costs to be assessed to the Late Transferring Pension Fund.

Required Board Actions

- Approve amendment to the Transition Management Agreement.
- Approve the transfer of assets from Late Transferring Pension Funds on or prior to 12/31/2024, with a targeted transfer date of 10/1/2024.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

MEMORANDUM

DATE: January 10, 2024
 TO: IPOPIF Board of Trustees
 FROM: Kent Custer, IPOPIF Chief Investment Officer
 SUBJECT: Investment Policy Statement Review and Recommendations

Section IV.B.3 of the Investment Policy Statement (IPS) requires the Board to review and adopt the IPS during the first calendar quarter of each year and as otherwise required. Investment Staff, Consultant, and Fiduciary Counsel have reviewed the IPS and are recommending changes as annotated in the attached draft.

Recommendation

That the Board adopt the Investment Policy Statement with the proposed revisions and additional changes that are directed by the Board.

Discussion

Most of the recommended changes are straightforward when viewed in the context of the surrounding language in the attached annotated draft. A few changes require additional explanation.

- Securities Lending has been moved from Section IV, Roles and Responsibilities to Section V, Investment Structure. Associated parameters and guidelines have been deleted since IPOPIF is not currently engaged in securities lending. The Board retains the discretion to engage in securities lending in the future and the parameters and guidelines would be detailed in a separate agreement with any securities lending provider. Permission for commingled funds that utilize securities lending has been added and the Board retains control over this aspect through the search and approval process for investment managers.
- Manager Monitoring and Evaluation, Section VI.B, has been modified to reduce the focus on short-term performance and to make clear the process for the Board to evaluate Investment Managers of concern. The changes are "busy" in the annotated version, so a smooth version is provided below.
- The asset allocation has been changed to move 3% from high yield to Bank Loans, subject to separate Board Approval of Bank Loan manager selection. Staff and Verus are conducting a complete review of the Asset Allocation, which is targeted for Board Review in March 2024.

Review of Appendix B Policies

The following IPS policies are required to be reviewed annually by the Illinois Pension Code. These annual review requirements will be satisfied upon adoption of the IPS by the Board.

Appendix B1 – MWDBE INVESTMENT MANAGER UTILIZATION POLICY

Appendix B2 – MINORITY BROKER-DEALER POLICY

Appendix B3 – FIDUCIARY DIVERSITY POLICY



IPOPIF

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

INVESTMENT POLICY STATEMENT

Policy Number: PP-2021-08

Adopted December 17, 2021

Last Revised ~~April 14, 2023~~: January 19, 2024

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PP-2021-08: IPOPIF Investment Policy Statement

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I. BACKGROUND AND PURPOSE

The Illinois Police Officers’ Pension Investment Fund (IPOPIF or the Fund) was created by Illinois Public Act 101-0610 to consolidate the Article 3 police pension funds to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105.

This “Investment Policy Statement” (IPS or Policy) provides objectives, guidelines, procedures, and performance standards for the investment of the assets of the Fund. The Policy represents the formal document governing the investment of the Fund’s assets.

II. INVESTMENT OBJECTIVES

1. To ensure the assets of the Fund are invested with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would undertake.
2. To earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return, the return of the Broad Benchmark, and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation.
3. To ensure the assets of the Fund are invested in a manner that minimizes and controls the costs incurred in administering and managing the assets.

III. INVESTMENT PHILOSOPHY

This section outlines the core beliefs and long-term acknowledgements that will guide the IPOPIF investment program.

1. A well-defined governance structure with clearly delineated responsibilities is critical in achieving consistent, long-term performance objectives.
2. The strategic asset allocation determines the risk-reward profile of the portfolio and is the primary driver of overall portfolio performance and volatility. Key considerations include, but are not limited to, the following:
 - a. Asset allocation has a greater effect on return variability than asset class investment structure or investment manager selection.
 - b. Understanding expected performance variance and being steadfast in the face of negative returns is critical to long-term success.
 - c. Disciplined portfolio rebalancing is a key aspect of prudent long-term asset allocation policy.
3. Risk is multifaceted and will be evaluated holistically, incorporating quantitative measures and qualitative assessments. Risk considerations include, but are not limited to, the following:
 - a. Key pension plan risk factors include mortality, inflation, and investment returns.
 - b. Portfolio diversification across different asset classes, regions and risk factors reduces risk and increases risk-adjusted returns over the long-term.
 - c. Leverage can be an effective tool to enhance diversification and control risk.

PP-2021-08: IPOPIF Investment Policy Statement

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- d. Uncompensated risk should be minimized.
- e. Generating positive investment returns requires recognizing and accepting non-diversifiable risk. Not taking enough risk is risky; therefore, IPOPIF will accept a prudent level of risk in pursuit of its enterprise objectives.
- 4. Liquidity is a risk factor and a source of return.
 - a. The Fund should possess sufficient liquidity to meet expected cash needs under normal and stress scenarios.
 - b. Illiquid investments should be considered if the expected return provides attractive compensation for the loss of liquidity.
- 5. The opportunity for active manager risk-adjusted outperformance (alpha) is not uniformly distributed across asset classes or strategies. Active strategies are preferred only when there is strong conviction that they can be expected to add alpha, net of fees. Otherwise, passive strategies are preferred.
- 6. Investment costs will be monitored and minimized within the context of maximizing net return. The goal is not low fees, but rather maximum returns, net of fees.
 - a. Performance-based fee structures with a low base rate and a cap on participation may be appropriate and promote alignment of interests.
 - b. The Fund will negotiate aggressively for the lowest fees and will seek most-favored nation clauses where appropriate.

IV. ROLES AND RESPONSIBILITIES

A. FIDUCIARY RESPONSIBILITIES

- 1. A person is a "fiduciary" with respect to the Fund to the extent that the person:
 - a. exercises any discretionary authority or discretionary control respecting management of the Fund, or exercises any authority or control respecting management or disposition of its assets; or
 - b. renders investment advice or renders advice on the selection of fiduciaries for a fee or other compensation, direct or indirect, with respect to any moneys or other property of the Fund or has any authority or responsibility to do so; or
 - c. has any discretionary authority or discretionary responsibility in the administration of the Fund.
- 2. All fiduciaries to the Fund shall conduct their responsibilities with the care, skill, prudence, and diligence under the circumstances then prevailing which a prudent person familiar with these matters and acting in a like capacity would use in the conduct of an activity of like character and purpose. Fiduciaries, their employees, agents, and designees shall discharge their duties with respect to the Fund solely in the interest of the participants and beneficiaries of the Fund.

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DRAFT**B. THE BOARD OF TRUSTEES**

The Board of Trustees (the Board), the members of which are fiduciaries to the Fund, has ultimate responsibility for the success and safety of the investment program. The responsibilities of the Board include, but are not limited to, the following:

1. Determining a prudent level of risk to accept in order to achieve investment objectives.
2. Adopting an asset allocation that prudently diversifies investment risk and maximizes expected return consistent with risk tolerance.
3. Reviewing and adopting the investment policy during the first calendar quarter of each year and as otherwise required.
4. Reviewing and approving the strategic plan and objectives.
- 4.5. Approving the selection and termination of investment service providers.
- 5.6. Monitoring and evaluating the investment performance of the Fund and ensuring the risk profile is consistent with Policy objectives.
- 6.7. Monitoring and evaluating investment expenses.
- 7.8. Establishing the responsibilities of, and evaluating the performance of, investment staff, advisors, and consultants.

C. CHIEF INVESTMENT OFFICER

The Chief Investment Officer (CIO) is a fiduciary to the Fund and is responsible for the day-to-day operation and oversight of Fund investments under policy guidance from the Board. The CIO will work closely with the Executive Director, Investment Consultant, and investment staff to carry out the duties and responsibilities of this role. Specific responsibilities of the CIO include, but are not limited to, the following:

- ~~1. Recommending a prudent level of risk to accept in order to achieve investment objectives.~~
- 2.1. Recommending an asset allocation that prudently diversifies investment risk and maximizes expected return consistent with ~~risk tolerance~~ the investment objectives established by the Board.
- 3.2. Recommending an investment policy.
- 4.3. Recommending the search, selection, and termination of investment service providers needed to implement the investment program.
- 5.4. Monitoring and evaluating the investment performance of the Fund and ensuring the risk profile is consistent with Policy objectives.
- 6.5. Monitoring and evaluating investment expenses.
- 7.6. Monitoring and evaluating investment service providers.
- 8.7. Developing proposals to enhance the investment program.
- 9.8. Ensuring the Fund has adequate liquidity to meet cash flow needs and coordinating the investment of cash contributions and distributions.
- 10.9. Monitoring investment allocation and coordinating rebalancing in accordance with

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the Policy.

~~11.10.~~ Reporting to the Board at least quarterly regarding investment activity and performance.

~~12.11.~~ Managing the IPOPIF investment staff.

D. INVESTMENT CONSULTANT

The Investment Consultant is a fiduciary to the Fund and provides information, analysis, and advice to the Board, CIO, and investment staff to assist them in implementing the investment program and monitoring and evaluating Fund investments. The Investment Consultant will work closely with the CIO but is required to provide an independent perspective to the Board. Specific responsibilities of the Investment Consultant include, but are not limited to, the following.

1. Assisting in the development, implementation, and evaluation of the Investment Policy and asset allocation.
2. Assisting in the development, implementation, and evaluation of an investment manager structure that provides appropriate diversification with respect to the number and types of investment managers retained.
3. Making recommendations regarding the identification of appropriate market benchmarks and peer groups against which each investment option should be evaluated.
4. Assisting in the search process for investment service providers.
5. Producing quarterly performance reports to assist in evaluating ~~the investment plan, risk, and performance~~ return across the portfolio. In conjunction with these reports, the Investment Consultant will provide recommendations for action when appropriate or when requested.
6. Monitoring the investment managers and investment products employed by the Fund on an on-going basis and informing the CIO and Board, as appropriate, of any developments that might impact performance of Fund investments.
7. Educating investment staff and the Board, as appropriate, on investment issues that could impact the Fund.

E. CUSTODIAN

The Custodian has three primary responsibilities, namely: (1) safekeeping of assets – custody, pricing, and accounting, and reporting of assets owned by the Fund; (2) trade processing – track and reconcile assets that are acquired and disposed; and (3) asset servicing – maintain all economic benefits of ownership including income collection, corporate actions, and proxy notification issues. Specific responsibilities of the Custodian include, but are not limited to, the following.

1. Safekeeping services for investment securities.
2. Timely settlement of securities transactions.
3. Proper pricing of investment securities.
4. Timely collection of income.
5. Prompt and accurate administration of corporate actions, including but not limited to

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proxy notifications.

6. Direct, accurate daily communications with investment managers to ensure trades are correct and confirmed.
7. Proactive reconciliation with investment managers.
8. Value allocation for each Article 3 pension fund account.
9. Providing a cash management platform that will support secure and efficient cash transactions for IPOPIF and all Article 3 pension funds.
- 9.10. Monthly and annual reporting for IPOPIF and uniform reporting for all Article 3 pension fund accounts, including but not limited to performance, accounting, and cash flows.
- ~~10.11.~~ Immediate communication with the CIO regarding any concerns or issues with respect to services provided by the Custodian.
- ~~11.12.~~ Support for annual and regulatory reporting, including working with IPOPIF auditors.
- ~~12.13.~~ Governance reporting to ensure service level metrics and expectations are being met.

F. INVESTMENT ADVISORS/MANAGERS

In accordance with the Illinois Pension Code, the Board may appoint investment advisors (herein also referred to as “Investment Managers”) to manage (including the power to acquire or dispose of) the assets of the Fund. The specific duties and responsibilities of each Investment Manager include, but are not limited to, the following.

1. The investment advisor(s) must acknowledge in writing that it is a fiduciary with respect to the Fund and must be at least one of the following:
 - a. registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.);
 - b. registered as an investment adviser under the Illinois Securities Law of 1953;
 - c. a bank, as defined in the Investment Advisers Act of 1940; or
 - d. an insurance company authorized to transact business in this State.
2. Managing those assets of the Fund that are under the supervision of the Investment Manager in accordance with the Investment Management Agreement or other governing document between IPOPIF and the Investment Manager.
3. Exercising investment discretion regarding buying, managing, and selling Fund assets under the supervision of the Investment Manager, subject to any limitations contained in the Investment Management Agreement or other governing document between IPOPIF and the Investment Manager.
4. Directing all trading on the portfolio(s) that it manages on a best execution basis. Soft-dollar trades are prohibited, unless expressly authorized under the Investment Management Agreement. (Soft dollar refers to a method of paying brokers for non-trading services, such as research, through trading commissions.)
5. Voting proxies on all securities held. All proxies will be voted exclusively in the best

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interests of the Fund. Investment managers who vote proxies will maintain written policies for proxy voting and keep a proper record of all proxies to which the Fund is entitled. A written report will be provided annually to the CIO and Investment Consultant.

6. Providing written reports to the CIO and Investment Consultant on at least a quarterly basis, ~~detailing performance for the most recent period, gross and net of all fees, including but not limited to:~~
 - a. Performance, gross and net of all fees, for the most recent quarterly, year-to-date, and relevant longer time periods.
 - b. Investment fees for quarterly, year-to-date, and inception periods.
 - c. Market value of investments.
 - d. Portfolio and market commentary/outlook.
 - e. If applicable, brokerage activity data for quarterly and year-to-date periods.
 - f. Additional information as requested by the Board, Investment Staff, or the Investment Consultant.
7. Informing staff and the Investment Consultant, as soon as practical, in writing of any breach of the Investment Manager's investment guidelines, its Agreement with the Fund, regulatory standards, and ethics policies.
8. Informing staff and the Investment Consultant as soon as practical, in writing, of any significant changes in the ownership, organizational structure, financial condition, personnel staffing, or other material changes at the firm; and
9. Increasing the utilization of Minority/Women/Disabled/Veteran Owned Broker Dealers. Appendix B2 details minority brokerage goals and responsibilities.
10. The Fund may utilize pooled funds (e.g., mutual funds, commingled funds, collective trusts, limited partnerships) that are generally aligned with this Policy when selected. However, pooled funds are controlled by their specific governing documents and are not customizable; therefore, it may not be feasible to require that such pooled funds adhere strictly to this Investment Policy. Any manager of a pooled fund shall inform IPOPIF if the investment policies, objectives, or guidelines of any such fund undergo material changes.

~~A. SECURITIES LENDING PROVIDER~~

~~The Board may authorize the use of a securities lending provider, which refers to any third-party firm (Agent) that lends the assets of the Fund to other parties in exchange for collateral and interest income. Cash collateral received from securities borrowers will be deposited upon receipt in an approved short term investment vehicle or vehicles. The Agent may lend financial securities and shall have full discretion over the selection of borrowers and shall continually review the creditworthiness of potential borrowers through extensive analysis of publicly available information and any other material available to them. All loans shall be fully collateralized with cash, government securities, or irrevocable bank letters of credit. Initial collateral levels equal to a percentage of the market value of the borrowed securities shall not be less than 102% plus accrued interest. Securities on loan should be marked to market on a daily basis to assess adequacy of~~

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~~collateralization. The Agent shall provide periodic performance reports to the Investment Staff and Investment Consultant. The securities lending program should in no way inhibit the portfolio management activities of the Fund's investment managers.~~

V. INVESTMENT STRUCTURE

A. ASSET CATEGORIES AND CLASSES

IPOPIF investments shall be prudently diversified to optimize expected ~~risk and return and control risks~~ risk and return. Assets can generally be categorized into four functional categories of Growth, Income, Inflation Protection, and Risk Mitigation. Each category can include multiple asset classes, representing different types of investments that can provide diversification within each functional category. Asset category and class descriptions are detailed in Appendix A1.

B. ASSET ALLOCATION

The asset allocation establishes target weights for each asset class and is designed to maximize the long-term expected return of the Fund within an acceptable risk tolerance while providing sufficient liquidity to meet program liabilities. The asset allocation is a key determinant of investment performance. The Asset Allocation is detailed in Appendix A2.

C. INVESTMENT MANAGER STRUCTURE

The investment manager structure establishes the investment manager roles that will be used to implement the asset allocation. The investment manager structure will employ the minimum number of managers necessary to assure appropriate diversification. The following guidelines will limit active manager concentration unless an exception is specifically authorized by the Board.

1. The maximum allocation to a single active manager is 12% of the Plan.
2. The maximum allocation to a single active management product is 8% of the Plan.
3. No investment with any single investment strategy may exceed 10% of that manager's total assets under management for that strategy.
4. There is no specified limitation for passive managers or products but diversifying alternatives should be considered when adding passive exposure.

D. REBALANCING POLICY

1. Rebalancing is the process of realigning investment weights toward targets to maintain the desired asset allocation.
2. Rebalancing ranges are detailed in Appendix A2, Asset Allocation.
3. The CIO has the responsibility and authority to rebalance the Fund in accordance with this Policy.
4. The CIO and the Investment Consultant shall review asset allocations at least quarterly or as appropriate during periods of significant market volatility.
5. Cash contributions to and withdrawals from the Fund may be used to move investment weights towards targets.

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6. When asset allocations exceed the prescribed limits, or when deemed prudent by the CIO, with the advice of the Investment Consultant, Fund assets may be rebalanced to the target levels or to some point within the target range. No rebalancing action is automatically required if an asset class weight reaches a rebalancing limit. However, the CIO shall document the rationale for not acting if an allocation falls outside of the rebalancing range.
7. Rebalancing to targets will be considered at least annually by the CIO, with the advice of the Investment Consultant.
8. Rebalancing activity shall be reported at the next meeting of the Board.

E. TRANSITION MANAGEMENT

1. Transition management is the process of managing changes to an investment fund's portfolio of assets with an objective of reducing unnecessary cost and uncompensated risk.
2. IPOPIF shall maintain a pool of qualified transition management firms, which may be utilized to minimize the costs of asset transfers. Transition manager utilization should be considered for asset transfers but is not required if the CIO, with advice from the Consultant, believes the transition can be more effectively implemented using approved investment managers.
3. A transition plan shall be developed by the transition manager or investment manager and reviewed with investment staff prior to the transition.
4. A post-trade analysis shall be documented by the transition manager or investment manager and reviewed with investment staff.
5. Transition activity and costs shall be reported at the next meeting of the Board.

F. SECURITIES LENDING

The Board may authorize the use of a securities lending provider, which refers to any third-party firm (Agent) that lends the assets of the Fund to other parties in exchange for collateral and interest income. The specifics pertaining to any securities lending program shall be detailed in a separate Securities Lending Agreement. Investments in commingled vehicles that utilize securities lending are permitted.

F.G. PERFORMANCE BENCHMARKS

Fund performance will be evaluated against a "Broad Benchmark" of global stocks and bonds and a "Policy Benchmark" reflecting a market index or equivalent for each asset class, weighted in accordance with the current target allocations. ~~Over a full market cycle (typically three to five years),~~ Over the long term, the Fund is expected to generate returns, after payment of all fees and expenses, which exceed the Broad Benchmark and the Policy Benchmark. Performance Benchmarks are detailed in Appendix A3.

VI. INVESTMENT MANAGER SELECTION,

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MONITORING, AND EVALUATION

A. INVESTMENT MANAGER SELECTION

1. Investment Manager selection shall be governed by the Procurement of Investment Services Policy, IPOPIF Policy number PP-2021-07.
2. Pursuant to 40 ILCS 5/1A-108.5, the Fund recognizes that it is the public policy of the State of Illinois to promote the economy of Illinois through the use of economic opportunity investments to the greatest extent feasible within the bounds of financial and fiduciary prudence.

B. MANAGER MONITORING AND EVALUATION

Investment Staff and the Investment Consultant will evaluate each Investment Manager from a qualitative and quantitative standpoint on a quarterly basis.

1. Qualitative factors include, but are not limited to, the following.
 - a. ~~Ownership changes~~Organizational changes, including but not limited to changes in structure, ownership, management, or departure of key personnel.
 - b. Assets under management at the firm and product level.
 - c. Conflicts of interest.
 - d. Changes in investment strategy, philosophy, process, or style.
 - e. Material litigation or regulatory challenges involving the Investment Manager.
 - f. Material client-servicing problems.
 - g. Minority brokerage utilization.
 - h. Other factors deemed relevant and considered by the Board.
2. Quantitative Review.
 - ~~a.—~~Long-term performance standards should measure an Investment Manager's performance using rolling returns across multiple trailing time periods (e.g., 1-year, 3-year, and 5-year) in relation to the mutually agreed upon performance index.
 - a. ~~Shorter term performance will be measured in relation to an appropriate style index and "Peer Group." Each Investment Manager is to be measured against the median return of and~~ a peer group of investment managers with similar investment styles.
 - b. Managers are expected to maintain their stated investment style and philosophy. Quantitative measures of investment style and philosophy include style mapping, style attribution analysis, and tracking error relative to the benchmark.
3. Investment Staff and the Investment Consultant will review Investment Manager performance with the Board on a quarterly basis.
 - ~~b.—~~The Investment staff~~Consultant and Investment Staff~~ shall identify ~~investment managers~~Investment Managers of concern, ~~report the~~provide an analysis of

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material issues, and ~~provide an analysis supporting~~ recommend appropriate action to the Board. Based on the CIO's analysis and recommendation-

~~e. While past performance is not a reliable predictor of future results, the following criteria shall warrant review provided by the Investment Consultant and Investment Staff, the Board of Trustees:~~

4. ~~Four consecutive quarters in which will evaluate the manager underperforms its benchmark index for Investment Manager and take action, if deemed appropriate by the trailing three-year and five-year periods.~~ Board.

~~i. Two consecutive quarters in which the manager underperforms its Peer Group for the trailing three year and five year periods.~~

VII. PROXY VOTING POLICY

~~Proxies~~ Proxy voting refers to the process of voting as a shareholder on corporate issues without being physically present at the meeting. Shareholders may also vote on corporate issues in person. The Board recognizes that the right to vote on corporate issues is a Fund asset and affirms its fiduciary responsibility to ensure that the Fund's shareholder votes and proxies are voted in the best interests of the Fund. The Board delegates this responsibility to its fiduciary investment managers, who are best positioned to understand the voting issues. Investment managers shall report proxy voting activity annually to the CIO and the Investment Consultant. In the absence of an assigned investment manager, the Chief Investment Officer shall vote proxies in the best interest of the Fund and will use their professional judgement regarding when to seek Board guidance.

VIII. POLICIES INCORPORATED BY REFERENCE

The following IPOPIF Policies are incorporated into the Investment Policy Statement by reference:

PP-2021-07 Procurement of Investment Services Policy

AR-2021-02 Transfer of Assets Rule

AR-2022-01 Valuation and Cost Rule

PP-2022-01 Cash Management Policy

IX. POLICY ADOPTION

The Investment Policy was originally adopted by the IPOPIF Board of Trustees on December 17, 2021. The dates of subsequent review and adoption shall be recorded below.

October 14, 2022 – reviewed and adopted

February 2, 2023 – reviewed and adopted

April 14, 2023 – updated short-term asset allocation

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DRAFT**Appendix A1 – ASSET CLASS DESCRIPTIONS****A. Growth Assets**

1. Role: Capital appreciation, primary driver of long-term total return
2. Investment Approach: Growth assets generally represent equity or equity-like interests in current and future income streams and capture long-term economic growth trends throughout the world.
3. Risk Factors
 - a. The cost of the ~~high~~**higher** expected long-term returns is higher expected volatility.
 - b. Growth assets are highly sensitive to economic conditions and are subject to potential loss during economic downturns, rising/unexpected inflation, and rising interest rates.
 - c. Foreign currency volatility can be a source of risk and return for non-US exposure.
 - d. Liquidity is a key benefit of public equities as stocks can be traded daily. Illiquidity is a key risk factor for private equity.
4. Representative Asset Classes
 - a. **US Equity** represents publicly traded stock holdings of companies located in the United States.
 - b. **Non-US Equity** represents publicly traded stock holdings of companies located outside of the United States. Non-US equity provides diversification through exposure to international economies and currencies. Non-US equity can be segregated by **developed** and **emerging markets** (economies). Emerging markets equity is expected to capture the higher economic growth of emerging economies and provide higher long-term returns than developed market equities coupled with higher volatility.
 - c. **Global Equity** removes regional constraints allowing investment in US and non-US companies.
 - d. Public equities may also be categorized by company capitalization (size) with **smaller companies** historically experiencing higher returns and volatility. Active management has fared better in the small company environment, where information is typically evaluated by fewer analysts.
 - e. **Private Equity** refers to investments in private companies (direct investments) or funds that hold investments in private companies or securities that are not typically traded in the public markets. Frequently these investments need “patient” capital to allow time for growth potential to be realized through a combination of capital investment, management initiatives, or market development. Private equity is expected to provide higher long-term returns than public equity, ~~but illiquidity with higher fees and investment risk.~~ **Illiquidity** is a key risk due to contractual commitments to fund capital on demand and term

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structures that allow holding that capital for several years to allow time for value creation.

B. Income Assets

1. Role: Current income and moderate long-term appreciation
2. Investment Approach: Income assets are generally fixed claims on assets or income streams of an issuer (e.g., government, corporation, asset-backed securities).
3. Risk Factors:
 - a. Income assets are subject to the failure of the borrower to make timely payments of interest and principal (credit risk) and the price volatility related to credit risk. Bonds with greater credit risk (i.e., bonds with lower credit ratings) are typically less liquid than higher quality bonds.
 - b. Income assets are also susceptible to interest rate (duration) risk where higher market interest rates reduce their value. Longer maturities have relatively higher interest rate risk.
4. Representative Asset Classes
 - ~~d. **Bank Loans** are similar to high yield bonds in that both represent debt issuers with higher credit risk. Compared to high yield bonds, bank loans typically have higher seniority in the capital structure, which has historically resulted in much higher recovery following default.~~
 - a. **High Yield Debt** refers to bonds with higher credit risk and lower credit ratings than investment-grade corporate bonds, Treasury bonds, and municipal bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.
 - b. **Emerging Markets Debt** (EMD) refers to bonds issued by developing countries or corporations based in developing countries. EMD bonds can be denominated in U.S. Dollars or local currency. The primary risk factor is credit quality, but interest rates and foreign currency fluctuations are also factors.
 - c. **Bank Loans** are debt obligations arranged by banks and other financial institutions that consist of loans made to companies that are then sold through syndication. Also called “floating rate” or “leveraged” loans, bank loans are similar to high yield bonds in that both represent debt issuers with higher credit risk. Compared to high-yield bonds, bank loans typically have higher seniority in the capital structure, which has historically resulted in higher recovery following default.
 - e.d. **Private Debt** refers to non-bank direct lending arrangements. Features are similar to bank loans with somewhat higher fees, credit risk, and yields. Investments are typically structured in a private market vehicle with limited liquidity.

C. Inflation Protection (Real Assets)

1. Role: Current income, inflation protection, diversification

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2. Investment Approach: ~~Generally, ownership~~Ownership in physical assets or Treasury Inflation-Protection Securities (TIPS)
3. Risk Factors: Similar to income assets, real assets are susceptible to interest rate risk. Real Assets may not provide the desired inflation protection contemporaneously with the negative impact on other asset classes. Loss of principal is also a risk. Real Estate, Natural Resources, and Infrastructure are typically accessed through private investment vehicles with constrained liquidity similar to that discussed for Private Equity.
4. Representative Asset Classes
 - a. **Real Estate** includes investments in office buildings, apartments, hotels, industrial warehouses, retail, and other specialty property types, as well as raw land, and development projects.
 - b. **Natural Resources** broadly refers to anything mined or collected in raw form but may include assets subject to further processing. Typical assets include agriculture, timber, minerals, and metals.
 - c. **Infrastructure** refers to investments in physical systems that support world economies. Typical investments include transportation, communication, and utilities (electricity, gas, water, sewage).
 - d. **REITs** or Real Estate Investment Trusts are publicly traded companies that own Real Estate. REITs benefit from the daily liquidity consistent with a publicly traded stock, but also suffer from relatively high volatility and higher correlation to publicly traded equity.
 - e. **TIPS** refers to United States Treasury Inflation-Protected Securities which provide protection against inflation. The principal of a TIPS increases with inflation and decreases with deflation, as measured by the Consumer Price Index. At maturity TIPS pay the adjusted principal or original principal, whichever is greater.

D. Risk Mitigation

1. Role: Liquidity to fund benefit payments and other cash flow needs, capital preservation, modest current income, diversification to growth assets
2. Investment Approach: Cash equivalents or high-quality domestic bonds
3. Risk Factors: Risks are substantially lower for risk mitigation assets but may include modest exposure to credit or interest rates (duration).
4. Representative Asset Classes
 - a. **Cash Equivalents** are the safest possible investment with no volatility ~~and minimal return~~but lower long-term returns.
 - b. **Short Term Investment Grade Bonds** have moderate interest rate risk.
 - c. **Investment Grade Bonds** including bonds and notes issued by the **U.S Treasury**, U.S. Government Agencies, state and local municipalities, corporations, or other issuers with similar conservative risk profiles. Risk factors

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include duration and credit. **Core Fixed Income** refers to a combination of government and corporate bonds and other fixed income instruments reflective of the U.S. fixed income opportunity set. **Core Plus Fixed Income** is similar to core but adds somewhat riskier investments, such as high-yield debt and asset-backed securities to boost yield. However, the overall risk profile of Core Plus remains relatively benign.

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DRAFT**Appendix A2 – ASSET ALLOCATION**

The IPOPIF has adopted ~~short-term~~interim and long-term asset allocation targets. ~~Short-term~~Interim targets are necessary to accommodate the initial IPOPIF transition and the subsequent buildout of diversified strategies, including private market investments. ~~Short-term~~Interim targets and rebalancing ranges will be updated periodically, with Board approval, as new investments move the allocation toward the long-term targets. Rebalancing and the Policy Benchmark will be based on ~~short-term targets.~~interim targets. Rebalancing ranges are not included where liquidity constraints prevent rebalancing.

IPOPIF Asset Allocation	Short-term <u>Interim</u>				Long-term Target Allocation
	Target Allocation	Rebalancing Range			
Asset Classes		Band	Lower	Upper	
Growth	58.0%	10.0%	53.0%	63.0%	65.0%
US Large	23.0%	4.0%	21.0%	25.0%	23.0%
US Small	5.0%	2.0%	4.0%	6.0%	5.0%
International Developed	18.0%	4.0%	16.0%	20.0%	18.0%
International Developed Small	5.0%	2.0%	4.0%	6.0%	5.0%
Emerging Markets	7.0%	2.0%	6.0%	8.0%	7.0%
Private Equity (Direct)	0.0%	N/A	N/A	N/A	7.0%
Income	16.0%	4.0%	14.0%	18.0%	14.0%
High Yield Corp. Credit	10 7.0%	2.0%	9 6.0%	11 8.0%	3.0%
Emerging Market Debt	6.0%	2.0%	5.0%	7.0%	3.0%
Bank Loans	0 3.0%	N/A 2.0%	N/A 2.0%	N/A 4.0%	3.0%
Private Credit	0.0%	N/A	N/A	N/A	5.0%
Inflation Protection	9.0%	4.0%	7.0%	11.0%	11.0%
US TIPS	3.0%	2.0%	2.0%	4.0%	3.0%
REITs	4.0%	2.0%	3.0%	5.0%	0.0%
Real Estate/Infrastructure	2.0%	N/A	N/A	N/A	8.0%
Risk Mitigation	17.0%	8.0%	13.0%	21.0%	10.0%
Cash	1.0%	2.0%	0.0%	2.0%	1.0%
Short-Term Gov't/Credit	13.0%	4.0%	11.0%	15.0%	3.0%
US Treasury	0.0%	N/A	N/A	N/A	3.0%
Core Fixed Income	3.0%	2.0%	2.0%	4.0%	0.0%
Core Plus Fixed Income	0.0%	N/A	N/A	N/A	3.0%
Total	100.0%				100.0%

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DRAFT**Appendix A3 – PERFORMANCE BENCHMARKS**

Fund investment performance will be evaluated against a "Broad Benchmark" of global stocks and bonds and a "Policy Benchmark" reflecting a market index or equivalent for each asset class, weighted in accordance with the current target allocation. The purpose of the Broad Benchmark is to evaluate IPOPIF asset allocation decisions. The purpose of the Policy benchmark is to evaluate IPOPIF implementation decisions (e.g., active management). Over ~~the long term a full market cycle (typically three to five years)~~, the Fund is expected to generate returns, after payment of all fees and expenses, which exceed the Broad Benchmark and the Policy Benchmark. Performance Benchmarks are detailed below.

Policy Benchmark – ~~Short-Term~~Interim Allocation

Asset Class	Policy Benchmark	Weight
Cash	91-day T-Bills	1.0%
Short-Term Bonds	Bloomberg US Gov/Credit 1-3 year	13.0%
Core Bonds	Bloomberg US Aggregate	3.0%
US TIPS	Bloomberg US TIPS 0-5 Years	3.0%
US Treasury	Bloomberg US Treasury 7-10 Years	0.0% ¹
Bank Loans	Credit Suisse Leveraged Loan	0 3.0% ⁺
High Yield Debt	Bloomberg US Corporate High Yield	10 7.0%
Emerging Markets Debt	JPM EMBI Global Diversified	6.0%
Private Credit	Actual Returns ²	0.0% ¹
US Large Cap Equity	Russell 1000	23.0%
US Small Cap Equity	Russell 2000	5.0%
Developed Int'l Equity	MSCI World ex-US Net ²³	18.0%
Developed Int'l Small Cap Equity	MSCI World ex-US Small Cap Net ²³	5.0%
Emerging Markets Equity	MSCI Emerging Markets Net ²³	7.0%
Private Equity	Actual Returns ²	0.0% ¹
REITs	Wilshire US REIT	4.0%
Core Real Estate	NFI-ODCE equal-weight	2.0%
Private Real Estate / Infrastructure	Actual Returns ²	0.0% ¹
Total		100.0%

¹ US Treasury, ~~Bank Loans~~, and Private Markets Investments each have long-term allocation weights and are included in the Policy Benchmark table for reference.

²² The Policy Benchmark will use actual private market returns to avoid tracking error with no informational value. Private market investments will be evaluated in accordance with Section VI.B, including an appropriate benchmark.

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³ Net: Total Net Return including dividends and net of foreign withholding taxes.

Broad Benchmark

	Index	Weight
Global Equity	MSCI All Country World Index, Investible Market Index, USD (ACWI IMI)	70%
Fixed Income	Bloomberg Multiverse Total Return Index, Unhedged, USD	30%

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DRAFT**Appendix B1 – MWDBE INVESTMENT MANAGER UTILIZATION POLICY****A. Definitions**

1. “Emerging Investment Manager,” as defined in Section 1-109.1(4) of the Illinois Pension Code, means a qualified Investment Adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a MWDBE.
2. MWDBE means a Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2, as amended.
3. “MWDBE Investment Manager” means a qualified Investment Adviser that manages an investment portfolio and is a MWDBE.

B. Emerging Manager Goals

It is the policy of the IPOPIF to utilize Emerging Investment Managers to the greatest extent feasible within the bounds of financial and fiduciary prudence. In accordance with 40 ILCS 5/1-109.1(4), the Board has set forth the following quantifiable goals for percentage of total assets under management to be managed by Emerging Investment Managers:

		Ownership			
		Minority	Women	Disabled	Total
Asset Classes	Equity	9%	9%	2%	20%
	Fixed Income	9%	9%	2%	20%
	Alternatives	9%	9%	2%	20%
	Total	9%	9%	2%	20%

C. MWDBE Manager Goals

It is the policy of the IPOPIF to utilize MWDBE Investment Managers to the greatest extent feasible within the bounds of financial and fiduciary prudence. In accordance with 40 ILCS 5/1-109.1(9), the Board has set forth the following quantifiable goals for percentage of total assets under management managed by MWDBE Investment Managers:

Ownership			
Minority	Women	Disabled	Total
9%	9%	2%	20%

In accordance with 40 ILCS 5/1-109.1(10), it is the aspirational goal for the IPOPIF use MWDBE Investment Managers for not less than 20% of the total assets under management. It is also IPOPIF’s aspirational goal that not less than 20% of Investment Managers be minorities, women, and persons with disabilities, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

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D. Certification

Emerging or MWDBE Investment Advisers shall provide documentation establishing their status as an MWDBE. Preference shall be given to the appropriate certification from the State of Illinois as acceptable documentation. If such a certification is not available, the IPOPIF may consider other evidence, including certification by another state or a city.

E. Reporting

The Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this IPS and the following: (i) the names and addresses of the Emerging Investment Managers used, the percentage of the assets under the investment control of Emerging Investment Managers, and the actions the Fund has undertaken to increase the use of Emerging Investment Managers, including encouraging other Investment Managers to use Emerging Investment Managers as subcontractors when the opportunity arises and (ii) the specific actions undertaken to increase the use of Minority Broker-Dealers.

F. Review Requirement

The Board of Trustees shall review this Policy and associated goals annually.

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Appendix B2 – MINORITY BROKER-DEALER POLICY

This Policy addresses the requirement of Section 1-109.1(7) of the Illinois Pension Code.

A. Definitions

1. "Minority Broker-Dealer" means a qualified broker-dealer who meets the definition of "minority-owned business", "women-owned business", or "business owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act., 30 ILCS 575/2, as amended.
2. "Best Execution" means the best possible result taking into account all relevant considerations such as price, costs, speed, and likelihood of execution and settlement.

B. Goal

It is the goal of the IPOPIF that Investment Managers utilize Minority Broker-Dealers for **20%** of trades.

C. Best Execution Required

Investment Managers are always required to seek Best Execution.

D. Manager Reporting

1. Each Investment Manager shall report minority brokerage on a quarterly basis.
2. Equity manager reports are expected to include the following information:
 - a. Total shares traded and total commission dollars.
 - b. Minority brokerage shares traded and commission dollars.
 - c. Percentage of minority brokerage by shares and dollars.
3. Fixed income manager reports are expected to include the following information:
 - a. Total par value traded and average bid/ask spread.
 - b. Minority par value traded and average bid/ask spread.
 - c. Percentage of minority brokerage by par value traded.
4. All Investment Managers are encouraged to include a discussion of minority brokerage trends, obstacles, and initiatives to increase minority brokerage.

E. Review Requirement

The Board of Trustees shall review this Policy and associated goals annually.

PP-2021-08: IPOPIF Investment Policy Statement

DRAFT

Appendix B3 – FIDUCIARY DIVERSITY POLICY

This Policy addresses the requirement of Section 1-109.1(5) of the Illinois Pension Code.

It is the policy goal of the IPOPIF to increase the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff. IPOPIF shall make its best efforts to ensure that the racial and ethnic makeup of its senior administrative staff represents the racial and ethnic makeup of its membership.

When procuring investment services, the IPOPIF shall encourage participation of businesses owned by minorities, women, and persons with disabilities to respond to requests for proposals and will also work to encourage majority firms acting as fiduciaries to hire and promote minorities, women, or persons with disabilities in senior staff and ownership positions.

Investment Managers shall be procured in the manner prescribed by the Procurement of Investment Services Policy, PP-2021-07. Policy goals to increase the utilization of investment management firms owned by minorities, women or persons with disabilities are addressed in Appendix B1 of this Investment Policy.

The Board of Trustees shall review this Policy and associated goals annually.

Appendix B4 – BUSINESSES DIVERSITY POLICY

This Policy addresses the requirement of Section 1-109.1(6) of the Illinois Pension Code.

It is IPOPIF’s policy to utilize businesses owned by minorities, women, and persons with disabilities for all contracts and services, including investment-related contracts and services.

The Board of Trustees shall review this Policy annually.

Appendix B5 – ECONOMIC OPPORTUNITY

Pursuant to 40 ILCS 5/1A-108.5, the Fund recognizes that it is the public policy of the State of Illinois to promote the economy of Illinois through the use of economic opportunity investments to the greatest extent feasible within the bounds of financial and fiduciary prudence.

The Fund shall submit a report to the Governor and the General Assembly by September 1 of each year that identifies the economic opportunity investments made by the Fund, the primary location of the business or project, the percentage of the Fund's assets in economic opportunity investments, and the actions that the Fund has undertaken to increase the use of economic opportunity investments.

The Board of Trustees shall review this Policy annually.

PP-2021-08: IPOPIF Investment Policy Statement

DRAFT

Appendix B6 – SUSTAINABLE INVESTING

Pursuant to Sections 1-113.6 and 1-113.17 of the Illinois Pension Code, in evaluating investment decisions, the Fund will consider material, relevant, and decision-useful sustainability factors, within the bounds of financial and fiduciary prudence, as provided for under the Illinois Sustainable Investing Act, 30 ILCS 238/1, *et seq.*, which include but are not limited to:

- Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.
- Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.
- Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.
- Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.
- Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change.

The Board of Trustees shall review this Policy annually.



Illinois Police Officers' Pension Investment Fund

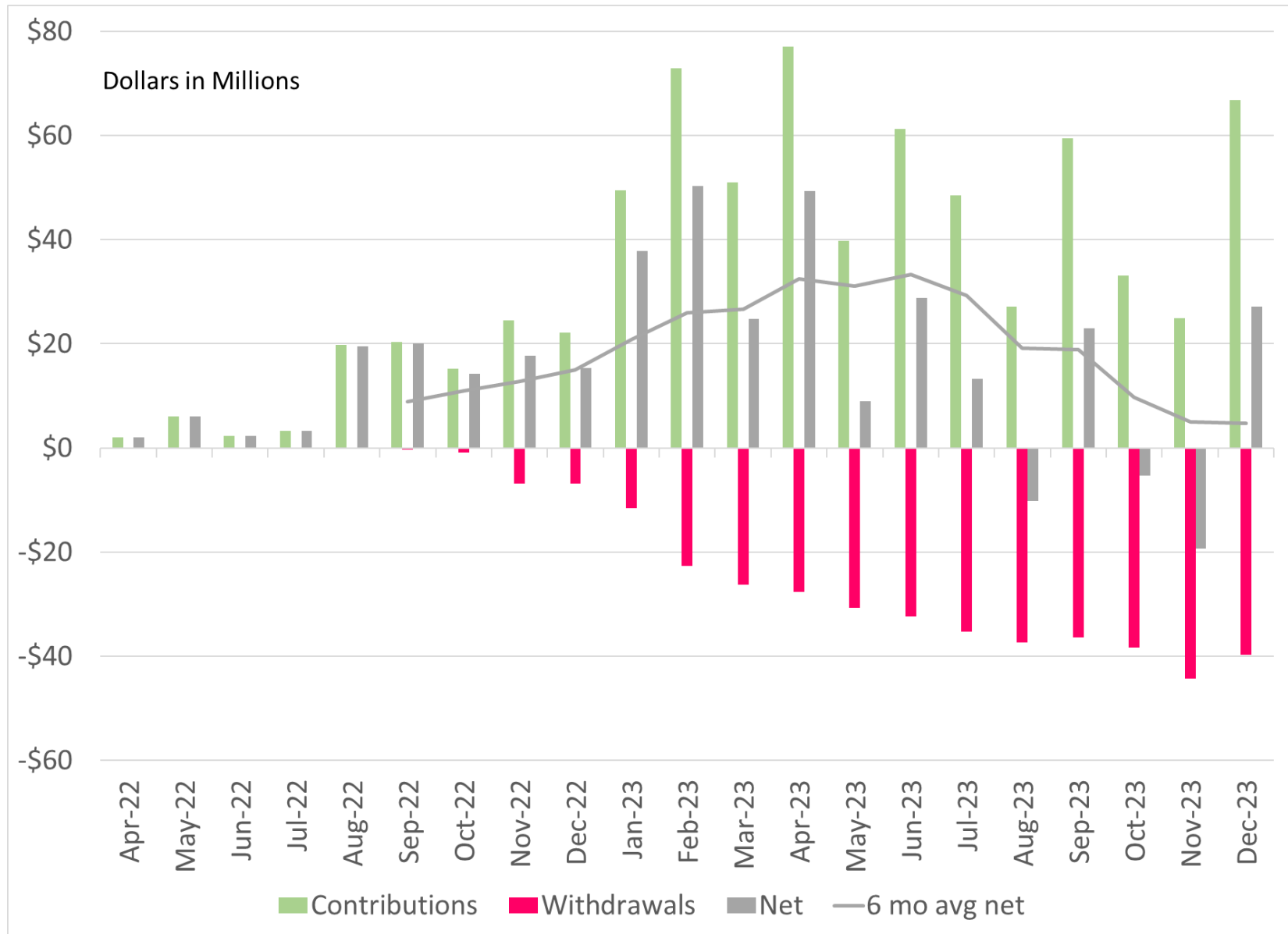
Investment Update As of February 1, 2024

Asset Allocation 2/1/24

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
Growth	5,623	56.5%	5,770	58.0%	(148)	-1.5%
RHUMBLINE US LARGE	2,216	22.3%	2,288	23.0%	(72)	-0.7%
RHUMBLINE US SMALL	494	5.0%	497	5.0%	(4)	0.0%
SSGA NON-US DEVELOPED	1,762	17.7%	1,791	18.0%	(28)	-0.3%
International Small Cap	490	4.9%	497	5.0%	(7)	-0.1%
SSGA NON-US DEVELOPED SC	425	4.3%	249	2.5%	176	
ACADIAN ACWI EX-US SC	65	0.7%	249	2.5%	(183)	
SSGA EM EQUITY	660	6.6%	696	7.0%	(36)	-0.4%
Income	1,595	16.0%	1,592	16.0%	3	0.0%
SSGA HIGH YIELD	991	10.0%	995	10.0%	(4)	0.0%
SSGA EM DEBT	604	6.1%	597	6.0%	7	0.1%
Inflation Protection	854	8.6%	895	9.0%	(41)	-0.4%
SSGA TIPS	281	2.8%	298	3.0%	(17)	-0.2%
SSGA REITS	411	4.1%	398	4.0%	13	0.1%
PRINCIPAL US PROPERTY	163	1.6%	199	2.0%	(36)	-0.4%
Risk Mitigation	1,877	18.9%	1,691	17.0%	186	1.9%
IPOPIF CASH	165	1.7%	99	1.0%	66	0.7%
SSGA ST GOV-CREDIT	1,329	13.4%	1,293	13.0%	36	0.4%
SSGA CORE BONDS	382	3.8%	298	3.0%	84	0.8%
IPOPIF POOL FI TRANSITION	0.10	0.0%	-	0.0%	0	0.0%
Total Investment Pool	9,949	100.0%	9,949	100.0%	-	0.0%

All asset class weights are within Investment Policy limits.

Monthly Participant Fund Cash Flow



Performance Summary

Final	2Q22	FY23	3Q23	4/22 – 9/23
IPOPIF Pool	-10.4%	+8.8%	-2.4%	-3.3%
Policy Benchmark	-10.4%	+8.8%	-2.4%	-3.2%
Broad Benchmark	-13.6%	+11.0%	-3.4%	-5.0%
Actuarial Assumption		+6.8%		+6.8%

Preliminary	Dec.	FY24 TD	4/22 – 12/23
IPOPIF Pool	+4.6%	+6.2%	+2.0%
Policy Benchmark	+4.7%	+6.4%	+2.2%
Broad Benchmark	+4.9%	+6.5%	+1.2%
Actuarial Assumption			+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

Incorporating “Non-Daily” Investments

- International small cap commingled funds LSV and WCM, as well as the proposed Bank Loan commingled funds, are subject to monthly liquidity and monthly valuation.
- Future commingled fund investments such as Emerging Market Debt and Equity may also face this issue.
- Statements are expected 5 to 10 business days after month end.
- The IPOPIF Pool will continue to be valued daily with “best available” information.
 - Default will be the most recent statement.
 - Managers may be able to provide estimated “price indications” on a more frequent basis.
- IPOPIF June 30 value will incorporate June 30 statement values.
- Staff, Custodian, and Consultant are still working through operational review and setup.
- Looking farther out, private market investments are typically valued quarterly.

Key Investment Initiatives (1)

Initiative	Status
Investment Staff Recruitment	Under CIO evaluation.
Investment Policy Review	Reviewed by staff, consultant, and Fiduciary Counsel. Proposed revisions ready for Board review.
Asset Allocation Review	Verus has researched and provided perspective on key issues: higher interest rates, public/private equity valuation, growth vs. value, small vs. large cap, emerging market equity China concentration. Next steps: identify potential changes for review; action plan build out.
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	Initial Acadian funding of \$65M on Jan. 30. Will continue gradual funding in February and March. Working through documentation with LSV and WCM. Expect gradual funding of both on March 1 and April 1.
Bank Loan Manager Search	Board interviews conducted 1/19/24. Board consideration planned for 2/9/24. Contracts and funding documentation in process.
Emerging Market Debt Manager Search	Board education on 1/19/24. Now conducting universe and structure review. Planning search request/RFP in March. Preliminary target is September selection.
Emerging Market Equity Search	Action plan and timeline under development. Potential Board education in March. Weight and structure may be dependent on Asset Allocation study.
Private Market Planning	Consultant education in June 2023. Preliminary investment plan targeted for March 2024. CIO reengaging.

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	Preparing for potential transfer of assets from Article 3 funds after future legal ruling from the Illinois Supreme Court. Evaluating transition options and process changes/improvements. Negotiating amendment with Transition Manager (SSGM).
Develop Investment Communication Materials	Developed 2022 Transfer Performance Summary Developed stakeholder presentation Continuing to build out additional information
Develop compliance review and reporting matrix	Completed review of source documents to capture all requirements. Developing review and reporting structure.

Preliminary March Agenda Items

- Verus 4Q23 Performance Review
- Asset Allocation Review
- Emerging Market Debt Manager Search Request
- Possible Emerging Market Equity Education
- Private market implementation planning
- Investment Service Provider Review - Investment Consultant

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

IPOPIF BOARD OF TRUSTEES COMMITTEE ASSIGNMENTS

Effective: February 9, 2024

Recommended action: Approve IPOPIF Committee assignments through January 2025.

AUDIT AND BUDGET COMMITTEE

Members: Trustees Holleb, Hopkins, Suess, and Swanlund

Chairperson: Trustee Swanlund

CONTRACT COMMITTEE

Members: Trustees Bowers, Holleb, Inman and Poulos

Chairperson: Trustee Holleb

ELECTION COMMITTEE

Members: Trustees Catavu, Cole, Hopkins, and Suess,

Chairperson: Trustee Hopkins

GOVERNANCE COMMITTEE

Members: Trustees Bowers, Inman, Poulos, and Suess

Chairperson: Trustee Suess

LEGISLATIVE COMMITTEE

Members: Trustees Catavu, Cole, Holleb, and Swanlund

Chairperson: Trustee Catavu

LITIGATION COMMITTEE

Members: Trustees Cole, Bowers, Holleb, Hopkins, Inman, Poulos, Suess, Swanlund

Chairperson: Trustee Suess

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

Committee Membership

	Audit & Budget	Contract	Election	Governance	Legislative
TRUSTEES					
Bowers		Bowers		Bowers	
Catavu			Catavu		Catavu
Cole			Cole		Cole
Holleb	Holleb	Holleb			Holleb
Hopkins	Hopkins		Hopkins		
Inman		Inman		Inman	
Poulos		Poulos		Poulos	
Suess	Suess		Suess	Suess	
Swanlund	Swanlund				Swanlund
Trustee: Active or Beneficiary	2	2	2	2	2
Trustee: Municipal	2	2	1	2	1
Trustee: Appointed			1		1

“Each Committee shall have three (3) or more Trustees. Each committee shall have at least one (1) member appointed from the active or beneficiary Trustees, one (1) Trustee appointed from the municipal Trustees, and one (1) Trustee appointed by the Chairperson.”



Illinois Police Officers'
PENSION INVESTMENT FUND

Illinois Police Officers' Pension Investment Fund

Board of Trustees Meeting Minutes

Friday, December 15, 2023, at 9:00 A.M.

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was conducted at the Marriott Pere Marquette Hotel, Cotillion Room, 501 Main Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Attendees:

Board of Trustees:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu, Secretary
- Mark Poulos, Treasurer
- Scott Bowers
- Brad Cole
- Elizabeth Holleb
- Daniel Hopkins
- Michael Inman

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist
- Steve Yoon, Investment Officer
- Barb Meyer, Investment Officer
- Dean Hagan, Investment Officer

Others Present:

- Vince Mancini, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Scott Whalen, Verus
- Tim McEnery, Verus
- Samantha Grant, Verus (Zoom)
- Brian LeFevre, Sikich, LLP
- A.J. Weber, Lauterbach & Amen, LLP (Zoom)
- Kim Shepherd, Shepherd Communications (Zoom)
- Kim Moynihan, State Street Bank and Trust
- William Collins, State Street Bank and Trust
- Members of the Public (Zoom)

Agenda

All members of the Board of Trustees, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

Call to Order (9:00 AM)

The meeting was called to order by Chairperson Suess at 9:00 A.M.

Roll Call

2.0- Roll Call:

A roll call was conducted. 8 Trustees were present, and 1 vacant. A quorum was established with the 6 required number of Trustees present.

Board of Trustees Present:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu, Secretary
- Mark Poulos, Treasurer
- Brad Cole
- Michael Inman

- Elizabeth Holleb
- Daniel Hopkins
- Scott Bowers (Joined at 9:07 AM)

All individuals present are reflected in the list of attendees.

Board of Trustees

3.1- Special Trustee Election- Certification of Election Results: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees about the recent election that took place to fill the vacant active member trustee seat. The Active Member Trustee Seat currently has a term of January 2021 through December 2024, and a vacancy was created with the resignation of the elected trustee effective on May 1, 2023. Election ballots and candidate statements were mailed via U.S.P.S. to eligible electors on October 3, 2023, and had to be received by the elector services vendor by October 31, 2023, to be tallied.

All Article 3 Participating Police Pension Funds were contacted and invited to participate in the election. They were asked to submit the names of their active fund members, of which one non-transferred fund and one litigant fund did. Fifty-seven (57) funds that had transferred assets did not respond to the multiple requests. The final count of active members totaled 10,905 that were submitted to participate in the election. This represents 86% of the eligible voters of the Article 3 funds.

The election results were that 2,019 valid ballots were counted. The election internal controls used by the election vendor were audited by Ryan, Hodgins & Associates, CPAs, and no issues were discovered. The final vote tally for the Special Trustee Election was: 1,488 ballots cast in favor of Scott W. Bowers which totals 73.7%, and 531 ballots cast in favor of Steve Witnik which totals 26.3%.

A motion was made by Trustee Poulos and seconded by Trustee Inman to declare the special election for the Board of Trustee Participant Seat #6 completed and certify the election of the following candidate for the Board of Trustees Scott W. Bowers.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins

Nayes- None

Absent- None

Vacant- 1

3.2- Special Trustee Election- Seating of Newly Elected Board Member: Discussion and Potential Action:

General Legal Counsel Mancini administered the Oath of Office to Scott W. Bowers. In taking this oath, Trustee Bowers takes his seat among the Board of Trustees as Trustee #6.

Trustee Bowers joined the meeting at 9:07 AM.

3.3- Special Trustee Election: Appointment to Committees: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on the 2024 IPOPIF Board of Trustees Committee Assignments. These assignments cover the Audit & Budget Committee, Contract Committee, Election Committee, Governance Committee, Legislative Committee, and Litigation Committee. These assignments include Trustee Bowers on the Election Committee, Governance Committee, and Litigation Committee, as well.

Chairperson Suess requested that this item be postponed to the next meeting as the members of the Election Committee are up for reelection. He requested that the Committee lists be revised and if any member of the Board of Trustees has an interest in a particular Committee to speak to the Chairperson.

3.4- Board of Trustee Education: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on the proposed travel of Trustee Hopkins to a National Association of Police Organizations (NAPO) 2024 Pension and Benefits Seminar that will be held on January 28-30, 2024, at the Caesars Palace in Las Vegas, Nevada. This training and education would incur related expenses, and Trustee Hopkins is seeking approval to attend. This training is deemed to meet the Trustee educational and training requirements, per the policy, and complies with the policy rule that a seminar should contain an average of five (5) hours of substantive education content per day.

An estimated cost schedule was submitted to the Board of Trustees for their consideration. Trustee Hopkins estimates the cost of this training to be \$2,295. The adopted Fiscal Year 2024 includes funding for this expense.

Trustee Holleb stated that per the Education and Travel Policy, the NAPO Conference is pre-approved for Trustees to attend and there is no need for action on this item. Chairperson Suess concurred with Trustee Holleb and stated that this is in line with existing policy and no action needs to be taken for this seminar.

Finance

4.1- Annual Comprehensive Financial Report: Discussion and Potential Action:

Chief Financial Officer (CFO) Tuczak briefed the Board of Trustees on the completion of the Annual Comprehensive Financial Report (ACFR). The ACFR, which includes the financial statements as of and for the years ended June 30, 2023, and 2022, was prepared by Fund staff. A draft of the ACFR was provided to the Board in their agenda packet materials.

CFO Tuczak also explained that the Audit & Budget Committee reviewed the ACFR on December 14, 2023, and recommended that the report be approved by the Board of Trustees, as amended.

CFO Tuczak provided a summary of the key financial information within the report, including new financial disclosures pertaining to fiscal year 2023.

Sikich LLP (Sikich) was engaged to perform the audit of the Fund's financial statements as of and for the year ended June 30, 2023. Sikich prepared a document that communicates various related matters to those charged with governance. A final draft of those materials was provided to the Board in their agenda packet materials as well.

Brian LeFevre, Sikich LLP, presented to the Board a summary of the significant matters within the final draft of the ACFR for the years ended June 30, 2023, and 2022. Mr. LeFevre discussed the independent auditor's report, indicating that an unmodified opinion is given, which is the highest level of opinion that the Fund can receive.

Mr. LeFevre also discussed the Government Accounting Standards Board (GASB) as the standards used by Sikich for the financial statements and the auditing standards issued by the American Institute of Certified Public Accountants used by Sikich for the audit work. He provided an overview of the management discussion and analysis, the financial statements, notes to financial statements, required supplementary information, a detailed schedule of administrative expenses, the investment section, and all other accompanying information. Mr. LeFevre answered all questions.

CFO Tuczak was asked by Trustee Holleb to summarize the changes that were discussed at the Audit & Budget Committee meeting yesterday. CFO Tuczak explained all of the concerns/revisions/questions from the previous Audit & Budget Committee meeting.

Executive Director White, CFO Tuczak, and Mr. Lefevre answered all questions.

CFO Tuczak noted that the ACFR report will be finalized and submitted per the Statute after the approval by the Board of Trustees at this meeting. Trustee Cole requested that the ACFR be posted on the IPOPIF website and a link to the ACFR be distributed in the IPOPIF newsletter.

A motion was made by Trustee Inman and seconded by Trustee Hopkins to approve the Annual Comprehensive Financial Report as of and for the year ending June 30, 2023.

Trustee Inman offered compliments to the IPOPIF staff and to Sikich regarding the format and content of the report.

Trustee Suess noted that the Fund received an unmodified opinion which was appreciated.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins, Bowers

Nayes- None

Absent- None

4.2 and 4.3- Monthly Financial Statements- September and October 2023: Discussion and Potential Action:

Chief Financial Officer (CFO) Tuczak briefed the Board of Trustees on the September 2023 and October 2023 Monthly Financial Statements. Participant fund activity was cash positive for the month of September and cash negative for the month of October. Participant fund contributions exceeded withdrawals by approximately \$23M in September, and participant fund withdrawals exceeded contributions by approximately \$5M in October. Three hundred (300) cash transactions were completed in September, and Three hundred eleven (311) cash transactions were completed in October.

CFO Tuczak answered all questions.

A motion was made by Trustee Holleb and seconded by Trustee Poulos to approve the monthly financial statements for September 2023, and October 2023.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins, Bowers

Nayes- None

Absent- None

4.4 and 4.5- Warrant #2024-05 and Warrant #2024-06: Discussion and Potential Action:

CFO Tuczak briefed the Board of Trustees on Warrants #2024-05 and #2024-06 and answered all questions. Trustee Holleb requested that, rather than large reimbursements to staff, large expenses be paid directly to the vendor or with an IPOPIF credit card. Executive Director White said that IPOPIF staff is looking into it.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to ratify Warrants #2024-05 and #2024-06.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins, Bowers

Nayes- None

Absent- None

Minutes

5.1- Board of Trustee Minutes- October 13, 2023: Discussion and Potential Action:

Executive Director White presented to the Board of Trustees the minutes of the regular Board of Trustees meeting held on October 13, 2023.

Trustee Cole requested that policies that we have recently approved at the most recent meetings be presented to the Board of Trustees in a final draft physical form at the next meeting.

A motion was made by Trustee Holleb and seconded by Trustee Inman to approve the minutes of the open session portion of the September 15, 2023, Board of Trustees Meeting

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins, Bowers

Nayes- None

Absent- None

5.2 Audit and Budget Committee Minutes – September 14, 2023:

A motion was made by Trustee Inman and seconded by Trustee Hopkins to accept the Audit & Budget Committee Minutes from September 14, 2023, as presented.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins, Bowers

Nayes- None

Absent- None

Investments

8.2- Investment Update: Discussion and Potential Action:

CIO Custer provided an investment update to the Board of Trustees. He relayed that growth is up on Rhumblin US large, Rhumblin US small, SSGA Non-US Developed, and SSGA Non-US Developed small cap. All of the passive investments are performing in line with the respective benchmarks, as expected. The Principal US Property Account has fallen slightly behind the benchmark for all trailing periods. IPOPIF Staff believes this is primarily related to a conservative valuation approach. CIO Custer briefed the performance summary of the IPOPIF pool/ policy benchmark/broad benchmark from 2022, Fiscal Year 2023, the third

quarter of 2022, and April 2022 through September of 2023 respectively and comparatively. Trustee Cole requested that the assumed rate of return (6.8%) be listed in a more clear and identifiable position on the report, versus where it currently is. CIO Custer covered the key initiatives, specifically the emerging market debt manager search, private market planning, and emerging market equity search.

CIO Custer introduced Dean Hagan, CFA, who joined IPOPIF as an Investment Officer in late October. Dean will be responsible for private equity as well as general investment support.

Verus has researched and provided perspective on key issues related to the evaluation of the Asset Allocation: higher interest rates, public/private equity valuation, growth vs value, small vs large cap, and emerging market equity China concentration.

Regarding the Bank Loan Manager Search, staff and Verus have completed interviews with semifinalists. IPOPIF staff is on track for 1/19/24 Board interviews and selection. Staff anticipates that there will be four managers invited to interviews for two mandates: core and opportunistic, including best-qualified emerging/MWDBE and veteran-owned firms.

CIO Custer is planning to communicate with Article 3 funds regarding nontransferable assets. He noted that excess cash and proceeds from maturing CDs can be transferred to IPOPIF for investment. He also noted that Verus has developed a framework for evaluating annuity contracts.

CIO Custer answered all questions.

8.3- Verus Quarterly Report: Discussion and Potential Action:

Investment Consultant Scott Whalen (Verus) presented to the Board of Trustees a quarterly report for the period ending September 30, 2023.

The Plan's total assets fell slightly from \$9.4 billion to \$9.2 billion over the quarter, as investment losses in a challenging market environment exceeded positive cash flow and investment income. The IPOPIF Portfolio ranked in the top quartile (12th percentile) for the quarter compared to a representative universe of public pension funds with assets greater than \$1B. Similar to the strong relative-to-peer performance in previous quarters, the favorable ranking in the most-recent quarter was driven by the Plan's relatively higher allocation to public markets equity and the absence of alternatives, particularly private

equity, compared to peers. The investment team actively monitors current asset allocations versus policy targets and conducts rebalancing trades as appropriate. As of September 30, 2023, nearly all asset classes were within the policy target ranges with a few minor exceptions, resulting from the fund's ongoing transition to the approved strategic asset allocation. Investment Consultant Whalen reviewed with the Board of Trustees the portfolio characteristics related to the actual versus the policy versus the broad based for total plan risk, equity beta, effective duration, credit spread ratio, estimated portfolio income yield, and estimated portfolio income.

Investment Consultant Whalen and CIO Custer answered all questions.

8.4- Transition Assets Planning:

CIO Custer reviewed the background of the transition of assets process with the Board of Trustees and noted that the IPOPIF transition period ended on December 31, 2022. On February 10, 2023, the IPOPIF Board took action to create a process to transfer those assets from Participating Police Pension Funds that did not transfer during the initial Transition Period. The Transition Manager Agreement was extended through December 31, 2023, at no additional cost. Four funds transferred assets valued at \$35 million on 5/1/2023 and one fund transferred assets valued at \$13 million on 8/1/2023. No additional funds have expressed an interest in transferring assets to IPOPIF at this time.

There are fifteen (15) outstanding litigant funds with their estimated total value of assets at \$1.2 billion pending a legal challenge to the consolidation statute and nine (9) other funds that did not transfer assets and are valued at approximately \$63M.

CIO Custer noted that the transition of assets will be a complex issue even though the transition of assets was done before. He recommended that the transition be done as a single tranche at a date to be determined. IPOPIF staff recommends providing transition services for future transfers to alleviate the market risk associated with liquidation and reinvestment and is in the process of negotiating an agreement to extend the Transition Manager Agreement beyond December 31, 2023. There may be additional Transition Manager fees for future transitions. Additionally, review and revisions to various policies may be necessary, as well.

The Board discussed the importance of planning and the ramifications of establishing a transfer date and communicating this to the late-transferring funds.

CIO Custer answered all questions.

Chairperson Suess called a 10-minute recess before continuing to the International Small Cap Manager Interviews.

The Board of Trustees took a recess at 10:30 AM and reconvened at 10:48 AM.

6.1- International Small Cap Manager Interviews and Selection: Discussion and Potential Action:

CIO Custer, Scott Whalen, Verus, briefed the Board of Trustees on the seven (7) presenting firms that are being considered for the IPOPIF growth, core, and value elements of the IPOPIF International Small Cap portfolio. The funding would come from the complete liquidation of the MSCI World Ex USA Small Cap Index Strategy that is currently managed by SSGA. With the recommended structure of the Small Cap portfolio, there would be one core investment manager firm and two satellite investment manager firms. The recommended products are all commingled funds. IPOPIF Fiduciary Counsel has successfully negotiated revisions to the IPOPIF template Side Letter Provisions for Commingled Products requested by each of the recommended managers. The IPOPIF Fiduciary Counsel viewed the negotiated revisions as reasonable and consistent with the template and RFP's Minimum Qualifications.

Semifinalist candidate interviews were conducted by staff and Verus from October 4, 2023, to October 6, 2023. The members of the interview team were Barb Meyer, Steve Yoon, and Colleen Flannery from Verus Research. Each interview was allotted 75 minutes using a prepared agenda during the interview process.

In response to a question from Chair Suess, CIO Custer discussed key items that the Board of Trustees should be looking out for regarding each candidate such as organizational strength, a clear investment process, and performance attributes. Each of the 7 firms presenting to the Board of Trustees is being allotted 20 minutes for presentations and questions.

At 10:56 A.M. Scott Brymer, CFA, and Andrew Miller of Acadian presented to the Board of Trustees and answered all questions.

At 11:18 A.M. Jonathan White, CFA, Isabelle Perrault, David DiSilva, and Farzin Khan of Wellington Management presented to the Board of Trustees and answered all questions.

At 11:38 A.M. Paul Black, Matt MacArthur, and Greg Ise of WCM Investment Management presented to the Board of Trustees and answered all questions.

At 12:03 P.M. Daniel Burr and Lee Diamandakis of Driehaus Capital Management presented to the Board of Trustees and answered all questions.

At 12:24 P.M. A. Rama Krishna, CFA, and Justin Moulder of ARGA Investment Management, LP presented to the Board of Trustees and answered all questions.

Lunch Break

Chairperson Suess called a recess at 12:46 P.M. of the Board of Trustees meeting, and reconvened general open session of the Board of Trustees at 1:22 P.M.

Investments- Continued

6.1- International Small Cap Manager Interviews and Selection: Discussion and Potential Action (Continued):

At 1:25 P.M. Josef Lakonishok and Michael Wagner of LSV Asset Management presented to the Board of Trustees and answered all questions.

At 1:47 P.M. Machel Allen and Patricia Hunter of Metis Global Partners presented to the Board of Trustees and answered all questions.

CIO Custer briefed the Board of Trustees with a recommendation for three investment manager firms: Acadian as the core manager with an allocation of 2.50% of the total IPOPIF investment portfolio (50% of the International small cap target allocation), ARGA as a value focused satellite manager with an allocation of 1.25% of the total IPOPIF investment portfolio (25% of the International small cap target allocation), and Driehaus as a growth focused satellite manager with an allocation of 1.25% of the total IPOPIF investment portfolio (25% of the International small cap target allocation). CIO Custer answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Swanlund to approve the Acadian All Country World ex-US Small Cap strategy with an allocation of 2.50% of the total IPOPIF investment portfolio (50% of the international small cap target allocation) and approve an exception to the ten percent (10%) strategy concentration limit (IPS section V.C.3) for Acadian.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Cole, Hopkins, Bowers

Nayes- None

Absent- None

The Board discussed concerns regarding IPOPIF concentration in the ARGA fund as well as regional concentration in Japan.

The Board discussed LSV as an alternative to ARGA for the value role. Mr. Custer noted that on a comparative basis, ARGA performance and correlation was viewed more favorably than LSV. While reiterating the staff recommendation for ARGA, Mr. Custer said he would support the selection of LSV as an alternative, given the Board's concerns regarding the concentration issue. Scott Whalen of Verus concurred. In response to a question from Trustee Holleb, Mr. Custer acknowledged that LSV's fees were higher, but this was not an overriding concern.

A motion was made by Trustee Hopkins and seconded by Trustee Catavu to approve the LSV International Small Cap Value Equity strategy with an allocation of 1.25% of the total IPOPIF investment portfolio (25% of the international small cap target allocation).

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Hopkins, Bowers

Nayes- Trustee Cole

Absent- None

A motion was made by Trustee Holleb and seconded by Trustee Inman to approve the Driehaus International Small Cap Growth strategy with an allocation of 1.25% of the total IPOPIF investment portfolio (25% of the international small cap target allocation).

Motion failed by roll call vote.

Ayes- Trustees Suess, Inman, Holleb, Cole

Nayes- Trustees Swanlund, Catavu, Poulos, Bowers, Hopkins

Absent- None

Trustee Catavu asked staff about the investment firm WCM structure, process, and performance including comments in the staff memo referencing performance variability and drawdown. Mr. Custer noted that WCM was a very strong manager, which was highly rated by Verus. He discussed the performance volatility and significant drawdown in 2022. Mr. Custer reiterated the staff recommendation for Driehaus, but indicated he would support the selection of WCM if the Board was comfortable with the performance volatility and rebalancing contributions during periods of relative underperformance.

A motion was made by Trustee Catavu and seconded by Trustee Hopkins to approve the WCM International Small Cap Growth strategy with an allocation of 1.25% of the total IPOPIF investment portfolio (25% of the international small cap target allocation).

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins

Nayes- Trustees Inman, Holleb, Cole

Absent- None

8.1-Investments Custodian Review: Discussion and Potential Action:

CIO Custer briefed the Board of Trustees on this being part of the periodic review of investment service providers. Kim Moynihan, New Business Architect, US Asset Owner Sales, and Bill Collins, Relationship Manager, US Asset Owner Division, State Street Bank and Trust (SSBT) provided a presentation for the Board of Trustees.

SSBT played an integral role in the transfer and transition of investment assets from 333 Article 3 participating police pension funds during 2022, extending into 2023. SSBT performed well overall with respect to asset transfer, transition, and reconciliation. This was an extremely large and complex process. There was extensive communication required between all parties and a large amount of work required to plan, prepare, and execute the transition in a real-time environment.

Article 3 fund reporting has been consistently solid. This enhances transparency and equitable treatment of all participating funds. Accounting reporting has been complicated by the large number of transition transactions. This added a significant amount of time for report development, review, and reconciliation.

There have been accounting and processing errors, all of which have been corrected, and State Street acknowledged its accountability to IPOPIF. State Street Bank and Trust representatives answered all questions.

Governmental Liaison

9.1- Governmental Liaison Report:

The Board of Trustees did not discuss the Governmental Liaison Report. A written monthly report from Government Liaison Bukola Bello was received and was provided to the Board of Trustees in the agenda packet materials.

Operations

10.1- Strategic Plan: Discussion and Potential Action:

Chairperson Suess requested that this item be postponed to the January 19, 2024, meeting.

10.2- Retainer Agreement- Jacobs, Burns, Orlove & Hernandez, LLP: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on the newly updated Attorney Retainer Agreement that was sent regarding an increase in the hourly rate. The rate has increased from \$295/ per hour to \$305/ per hour. There is no other substantive change to the retainer agreement at this time.

Trustee Hopkins stated that he will request that an RFP to be generated in January of 2024 to obtain new Fiduciary counsel. This is the third year in a row that JBOSH has increased rates with IPOPIF.

Executive Director White answered all questions.

A motion was made by Trustee Cole and seconded by Trustee Inman to approve the Attorney Retainer Agreement with Jacobs, Burns, Orlove & Hernandez, LLP (JBOH) and authorize the Executive Director to execute the agreement.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Hopkins, Bowers, Cole

Nayes- None

Absent- None

10.3- Operations Update Report: Discussion and Potential Action:

Executive Director White provided the Board of Trustees with an Operations Update. This included the newly posted Actuarial Valuations Reports that were posted to the IPOPIF website. One hundred seventy-five (175) were completed and posted in November and thirty (30) were completed and posted in early December. All Authorized Agents were notified of the posted reports.

Monthly reports for the Article 3 Funds have been posted for November on the IPOPIF website.

The next Board of Trustees meeting is scheduled for January 19, 2024, and will take place at the Marriott Pere Marquette. The next Committee Meetings are scheduled for February 9, 2024, and will be held in the Twin Towers conference room. The next scheduled Regional Stakeholder Meeting is scheduled to be held in Naperville on February 21, 2024.

General Legal Counsel

11.0 General Legal Counsel:

General Legal Counsel Mancini noted that he did not have a report for the Board of Trustees.

Fiduciary Legal Counsel

10.0- Fiduciary Legal Counsel:

Fiduciary Counsel Muzzy noted that the Supreme Court heard oral arguments on the litigation on November 21, 2023, with a decision anticipated in the near future.

Public Comment

12.0 Public Comment:

An opportunity for public comment was provided at 3:33 P.M. No comments were heard, and no discussion was provided.

Adjournment

13.0- Adjournment:

A motion was made by Trustee Inman and seconded by Trustee Hopkins to adjourn the Board of Trustees Meeting.

Motion carried by roll call vote.

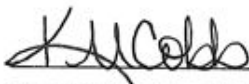
Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Inman, Holleb, Hopkins, Bowers, Cole

Nays- None

Absent- None

The Board of Trustees meeting adjourned at 3:35 P.M.

Respectfully submitted by:



Kate Cobb, Administrative Analyst

Approved by:

Phil Suess, Chairperson, Board of Trustees

Lee Catavu, Secretary, Board of Trustees

Date Approved by the Board of Trustees: January 19, 2024



Illinois Police Officers' Pension Investment Fund

Board of Trustees Meeting Minutes

Friday, January 19, 2024, at 9:00 A.M.

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was scheduled at the Marriott Pere Marquette Hotel, Marquette Salon A, 501 Main Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Attendees:

Board of Trustees:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu, Secretary
- Mark Poulos, Treasurer
- Scott Bowers
- Brad Cole
- Daniel Hopkins
- Michael Inman

IPOP Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist
- Steve Yoon, Investment Officer
- Barbara Meyer, Investment Officer

Others Present:

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Scott Whalen, Verus (Zoom)
- Tim McEnery, Verus
- Samantha Grant, Verus
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

Agenda

All members of the Board of Trustees, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

Call to Order

The meeting was called to order by Chairperson Suess at 9:13 A.M.

Roll Call

2.0- Roll Call:

A roll call was conducted. 4 Trustees were present in person, 2 remotely on Zoom, and 1 remotely on telephone. A quorum was not established with the 6 required number of Trustees present in person.

Board of Trustees Present:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Brad Cole
- Scott Bowers
- Michael Inman (Zoom)
- Daniel Hopkins (telephone)
- Mark Poulos, Treasurer (Zoom)

All individuals present are reflected in the list of attendees.

General Legal Counsel Reimer stated that due to the lack of the six required Board of Trustee members in person, there is not a quorum and there is no legal authority to conduct an official meeting, per the provisions of the Open Meetings Act (OMA). Instead, the Board of Trustee members that are present, as well as on Zoom and telephone, will be able to receive presentations from the Bank Loan Managers and other items for information and education with any official action occurring at the next Board of Trustees meeting.

Investments

5.1- Bank Loan Manager Interviews and Selection: Discussion and Potential Action:

Steve Yoon, Investment Officer, briefed the Board of Trustees on the four (4) presenting firms that are being considered for Bank Loan Manager Role(s).

The Investment Staff and Verus conducted a rigorous process that resulted in a consensus list of the 12 highest caliber candidate firms that were invited to submit an RFP proposal. The Fund received 26 responses to the RFP which were all evaluated.

Based on the evaluation of the bank loan universe and subsequent semifinalists' evaluation process, the IPOPIF staff and Verus had the highest conviction in Ares and Aristotle as its recommended managers for the IPOPIF bank loan portfolio.

Four investment managers were invited to present their firms and strategies to the Board of Trustees, including recommended managers, Ares and Aristotle, and two additional firms which represented the most qualified Emerging Manager and the most qualified Veteran-owned firm.

At 9:21 A.M. Michael Smith, Samantha Milner, and William Lee of Ares Management, LLC presented to the Board of Trustees and answered all questions.

Board of Trustees

Trustee Catavu entered the Board of Trustees Meeting at 9:48 AM

Board of Trustees Comments:

At 9:49 A.M. Trustee Cole informed the Board of Trustees that the Illinois Supreme Court this morning issued its opinion on the litigation seeking to declare Public Act 101-610, which created the IPOPIF, unconstitutional. The Supreme Court affirmed the lower court decisions granting summary judgment in the Defendant's favor and against the Plaintiffs, upholding the constitutionality of Public Act 101-610.

Investments

5.1- Bank Loan Manager Interviews and Selection: Discussion and Potential Action (cont.):

At 9:51 A.M. Dominic Nolan, CFA, JP Leasure, and Michael Spitler, CFA, of Aristotle Pacific Capital, LLC presented to the Board of Trustees and answered all questions.

At 10:14 A.M. Mark Shenkman, Robert Kricheff, and Alexandra Kaplan of Shenkman Capital Management, LP presented to the Board of Trustees and answered all questions.

At 10:36 A.M. Mark Okada, Trey Parker, Jack Yang, and Satya Kumar of Sycamore Tree Capital Partners, L.P. presented to the Board of Trustees and answered all questions.

Investment Officer Yoon briefed the Board of Trustees regarding the Team's (IPOPIF Staff, IPOPIF investment consultant, Verus) recommendation of an allocation of 2.0% of the total IPOPIF portfolio to the Aristotle Bank Loan Fund. In addition, the Team recommends an allocation of 1.0% of the total POPIF portfolio to the Ares Institutional Loan Fund. Funding for new bank loan strategies would come from the current allocation to high-yield debt, which has a current allocation of 10% and a long-term allocation of 3%. CIO Custer and Investment Officer Yoon answered all questions.

All action on this item will be scheduled for the next Board of Trustees meeting.

5.4- Emerging Markets Debt Review: Discussion and Potential Action:

Chief Investment Officer Custer, Investment Officer Yoon, Tim McEnery, Verus, and Samantha Grant, Verus, discussed the Emerging Market Debt investment strategy with the Board of Trustees. In alignment with IPOPIF's transition to long-term asset allocation, staff and consultants will further evaluate emerging market debt as the next asset class for a search. Mr. McEnery presented educational material to provide a comprehensive overview of the asset class.

The IPOPIF short-term asset allocation has a 6% exposure to emerging markets debt (EMD), which is passively managed by State Street Global Advisors (SSgA). The long-term asset allocation dedicates 3% to emerging markets debt within the income bucket of the portfolio.

Mr. McEnery discussed with the Board characteristics of EMD, including regional weights between various countries following hard currency, local currency, and emerging market equity countries. EMD is a relatively new asset class, although the size of the market has greatly expanded over the past twenty years. The majority of the market is composed of local currency debt.

CIO Custer, Investment Advisors McEnery, and Grant answered all questions.

Trustee Hopkins asked questions about issues related to the IPOPIF Custodian, State Street. Regina Tuczak, Chief Financial Officer/Assistant Executive Director, answered the questions.

The Board discussed scheduling a Special Board Meeting for February 9, 2024.

With further discussion or presentations deferred, the discussion of the Board of Trustees concluded at 11:35 A. M.

Respectfully submitted by:

Kate Cobb, Administrative Analyst

Approved by:

Phil Suess, Chairperson, Board of Trustees

Lee Catavu, Secretary, Board of Trustees

Date Approved by the Board of Trustees: February 9, 2024.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



IPOPIF

MEMORANDUM

TO: Board of Trustees

FROM: Richard White, Executive Director

RE: Governmental Liaison Report

DATE: February 9, 2024

Bukola Bello, Vision M.A.I. Consulting will provide a verbal report on the current legislative session, on pertinent pension and investment related matters, and be available for questions and comments from the Board of Trustees.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

MEMORANDUM

TO: Board of Trustees

FROM: Richard White, Executive Director
Regina Tuczak, Chief Financial Officer

RE: Agenda Item 7.1: Job Description-Senior Accountant/Auditor

DATE: February 9, 2024

RECOMMENDATION: Approve the Job Description of the Senior Accountant/Auditor

The Finance and Accounting team has assumed significant additional responsibilities effective July 1, 2023, the beginning of the fiscal year. With these additional responsibilities and the pending Agreed Upon Procedures of the Article 3 Funds, an additional staff member of the Finance and Accounting group is needed.

The fiscal year 2024 Budget includes provisions for a second Senior Accountant effective January 1, 2024. In evaluating the needs of the Fund, we recommend changing the job description of the Senior Accountant to include an audit focus and rename the position Senior Accountant/Auditor. This position will be focused on communicating with the Article 3 Funds regarding the agreed upon procedures, coordinating all engagements with the independent certified public accounting (CPA) firms, reviewing all reports completed and submitted by the CPA firms, and any necessary communications with the Illinois Department of Insurance. An estimated 120 agreed upon procedures engagements will be performed annually.

In addition, this position will assist with the Cash Management Process, most notably verification procedures and database maintenance associated with eCFM Cash Access forms submitted by Participant Funds.

There will be some accounting procedures assigned to this role, including review of State Street custody information relevant to the financial statements and regulatory reporting requirements, and reconciliation to recordkeeper reporting of Northeast Retirement Systems.

Note that this job description was provided to the Audit & Budget Committee at their meeting on January 14, 2024. The Committee had some recommended changes, most notably including all responsibilities, duties, knowledge, and qualifications, of both staff members of the Finance and Accounting team. The job responsibilities and roles of each can be internally defined. Pending these updates to the job description, the Committee recommended that the Job Description be presented to the Board for approval.

If approved by the Board, the recruitment process will begin following the February 9, 2024, meeting.

It is anticipated that the previously approved compensation will be sufficient for this position, but a review will be requested from Lauterbach & Amen, LLP and an update will be provided to the Board at a future meeting.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

POLICY AND PROCEDURE

POLICY NUMBER: PP-2023-02
SUBJECT: SENIOR ACCOUNTANT/AUDITOR JOB DESCRIPTION
EFFECTIVE DATE: FEBRUARY 10, 2023
AMENDED: JANUARY 19, 2024

INDEX:

SECTION A: INTRODUCTION
SECTION B: RESPONSIBILITIES AND DUTIES OF THE SENIOR ACCOUNTANT/
AUDITOR
SECTION C: POLICY REVIEW

A. INTRODUCTION

1. The Senior Accountant/Auditor reports directly to the Chief Financial Officer/Assistant Executive Director.
2. Under the direction of the Chief Financial Officer/Assistant Executive Director, a Senior Accountant/Auditor performs a variety of specialized and responsible duties related to the day-to-day accounting and/or auditing activities, performs highly responsible and complex work, maintenance, and review of fiscal, financial, participant pension fund, and other statistical records; and other work as required.
3. The Senior Accountant/Auditor will uphold the highest standards of ethics and professionalism and will act in a manner consistent with the Illinois Police Officers' Pension Investment Fund's (IPOPIF) mission, vision, and strategic plan.

PP-2023-02 SENIOR ACCOUNTANT/AUDITOR JOB DESCRIPTION

B. RESPONSIBILITIES AND DUTIES OF THE ACCOUNTANT

1. General responsibilities:
 - a. Provide technical support to the Chief Financial Officer/Assistant Executive Director in developing and carrying out the policies, strategies, objectives, procedures, and processes for the Illinois Police Officers' Pension Investment Fund.
 - b. Make decisions based upon specialized knowledge or general knowledge of accounting or auditing systems and practices.
 - c. Assist the Chief Financial Officer/Assistance Executive Director in preparing materials for Board of Trustee and Committee meetings.
 - d. Assist the Chief Financial Officer/Assistance Executive Director in monitoring compliance with Board approved policies and all applicable laws and regulations.
 - e. Provide periodic reporting in accordance with Board policies and perform procedures designed to comply with the requirements of the Illinois Pension Code.
 - f. Provide general support to Executive Director, Chief Investment Officer, and Chief Financial Officer.
 - g. Special projects, as assigned.

2. Duties include some or all of the following:
 - a. Serve as lead contact for all audit-related functions and procedures.
 - b. Coordinate audit-related procedures performed by external service providers on participant pension funds (approximately 120 per year), including troubleshooting communications with participant pension funds.
 - c. Review all reports of Independent Certified Public Accounting firms.
 - d. Review information provided by the Fund's custodian, reconcile to recordkeeping reports, and prepare for submission to regulatory agencies.
 - e. Review and perform verification procedures on information submitted by participant pension funds relevant to cash management procedures.
 - f. Prepare general ledger entries and reconcile with supporting records.

- g. Perform bank reconciliations.
 - h. Assist with preparing monthly and annual financial statements.
 - i. Maintain timely payment of bills and invoices.
 - j. Initiate wire transfers to support administrative and investment operations.
 - k. Assist with annual external audit.
 - l. Prepare government-required reports and filings.
 - m. Maintain accounting or auditing software used by IPOPIF.
 - n. Prepare written reports with recommendations on audit findings and follow up on the status of findings and recommendations.
 - o. Review and report on effectiveness and adequacy of internal control systems.
3. Knowledge of:
- a. Specific IPOPIF accounting or auditing systems, procedures, regulations, and source documents in the area of assignment and the interrelationships of internal and external recordkeeping systems.
 - b. Government accounting or auditing methods and standards, with emphasis on understanding policies, procedures, controls and practices of participant pension funds (Article 3 of the Illinois Pension Code).
 - c. Modern practices, procedures, techniques, and terminology related to the processing and recording of transactions of participant pension funds.
 - d. Basic principles of business mathematics and financial/accounting or auditing methods.
 - e. Laws, rules, regulations, and practices/procedures related to Articles 3 and 22(b) of the Illinois Pension Code.
 - f. Basic electronic data processing applications, including ability to perform general ledger maintenance.
 - g. Investments and investment transactions of pension plans or investment trusts.
 - h. Theory, principle, and practice of auditing, including the methods and procedures used to examine, verify, and analyze operational records, statements, and reports.

4. Ability to:

- a. Establish and maintain professional relationships with members of the Board of Trustees, IPOPIF management and professional staff, service providers, key representatives of regulatory agencies, and members of participant pension funds.
- b. Interact with integrity and diplomacy with external service providers, custodians, investment managers and representatives of participant pension funds.
- c. Perform a wide variety of complex, specialized or technical financial/accounting or auditing responsibilities; maintain and monitor controls over primary accounting records and related reporting.
- d. Conduct procedures virtually with respect to verification of participant pension fund information submissions.
- e. Prepare, review, audit, and correct accounting and auditing documents, and databases of participant pension fund records.
- f. Review and consolidate records from several sources, including integration with participant pension fund reporting, and summarize and assimilate into reports and other recordkeeping documents.
- g. Evaluate Fund procedures and controls and provide constructive recommendations for change.
- h. Maintain participant pension fund databases relevant to the cash management function.
- i. Review reports of external auditors relevant to agreed upon procedures engagements and summarize information for Fund management and the Board of Trustees
- j. Recognize errors and problems and research a variety of sources to determine appropriate corrective action; independently resolve problems; reconcile differences between recordkeeping systems and custodial records and within the general ledger system.
- k. Understand and interpret the principles, laws and procedures involved in Fund operations and related requirements of the Illinois Pension Code.

- l. Communicate in English clearly, concisely, and effectively both orally and in writing. Work products must be complete, comprehensive, and accurate when submitted.
- m. Perform job functions with a high degree of independence, in an ethical and objective manner and with the highest level of confidentiality.
- n. Use computer software to compose spreadsheets, graphs, flowcharts, calculations, and time reports, etc.

5. Qualifications

- a. Graduation from an accredited university or college with a bachelor's degree in finance, accounting, business, or related field of study preferred, and
- b. Certified Public Accountant (CPA) designation preferred but not required.
- c. Certified Internal Auditor (CIA) certification is preferred but not required.
- d. Seven to ten years of experience in government, public accounting or auditing, pension fund administration, or an investment management institution
- e. Experience working in professional services or public pension industry.
- f. Highly proficient in Microsoft Office Suite including Outlook, Word, Teams, and Excel.
- g. Highly detail-oriented and self-motivated.
- h. Strong organizational skills
- i. Any combination of education, training and/or experience that could likely provide the desired knowledge and abilities.

C. POLICY REVIEW

1. The Policy is subject to change in the exercise of the Board's judgement.
2. The Board of Trustees will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.
3. In the event of legislative changes to the pertinent sections addressed in this policy, the Board will review the policy as appropriate.
4. This policy was adopted by the Board of Trustees on February 10, 2023.
5. This policy was revised by the Board of Trustees on January 19, 2024, to include audit responsibilities.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR
KENT CUSTER, CHIEF INVESTMENT OFFICER
REGINA TUCZAK, FINANCE DIRECTOR

RE: STRATEGIC PLAN 2024-2026

DATE: FEBRUARY 9, 2024

RECOMMENDATION: APPROVE STRATEGIC PLAN 2024-2026

Strategic Planning is an important process which provides an opportunity for an organization to define the aspiring vision and mission for the organization, to establish core values and to develop and overarching plan for the organization to ensure that all components of the organization are working on achieving realistic goals and objectives.

As a new organization, the Strategic Plan will greatly enhance the functionality of the organization, ensuring that the approved strategies are closely aligned with the mission and core values of the Fund, provide oversight and financial accountability regarding the activities of the Fund, and communicate with our stakeholders about the implementation of the pension code responsibilities of the Fund.

Importantly, the Strategic Plan will provide the Board of Trustees with the knowledge necessary to provide oversight and governance to the Fund and accountability to the stakeholders, Article 3 participating police pension funds, municipalities, and the public.

The Board of Trustees and staff worked collaboratively to define the culture and characteristics to which IPOPIF aspire and the vision to be a high performing and trusted provider of institutional investment services to its members, beneficiaries, employers, and taxpayers.

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

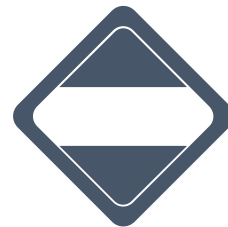
IPOPIF

The Plan details the strategic goals for Investments, Governance, Management, and Stakeholder Relations and the objective defining these outcomes and strategies to achieve these goals.

The Strategic Plan covers the periods of 2024 through 2026 and will be reviewed annually by the Board of Trustees, particularly during the development of the annual budget to link the plan with the resources and tool necessary to achieve the goals. The Board of Trustees will also receive status reports regarding the goals and objectives on a quarterly basis throughout the plan term.

STRATEGIC PLAN: OBJECTIVE ACTION PLANNING

Implementation and monitoring of the individual action plans will be an ongoing process to begin in the first quarter of 2024. Executive staff will be responsible for the development of the objective action plans that will define the responsibilities and timelines for the accomplishment of the objective. Each strategic objective plan will delineate the scope and key outputs for the objective, the approach to achieving the objective, the desired outcome and performance measures for the objective. The specific action plan will contain a schedule and milestones for the deliverables, define roles and responsibilities, critical success factors and constraints, and list resource needs necessary to achieve the strategic objective. The action plans will be developed and implemented throughout the Strategic Plan period. Attached for review is a sample objective action plan for the **GOVERNANCE GOAL: Ensure good governance by implementing best practices for accountability and transparency.**



Illinois Police Officers'
PENSION INVESTMENT FUND

STRATEGIC PLAN

2024-2026

INTRODUCTION

This IPOPIF 2024-26 Strategic Plan outlines the vision, mission, core values, strategic goals and objectives of IPOPIF. The Plan builds on the diligent work of the Board of Trustees and staff conducted since the inception of IPOPIF on December 18, 2019.

The Board and staff worked collaboratively to define the culture and characteristics to which IPOPIF aspire and the vision to be a high performing and trusted provider of institutional investment services to its members, beneficiaries, employers, and taxpayers. The Plan details the strategic goals for Investments, Governance, Management and Stakeholder Relations and the objectives defining those outcomes and strategies to achieve those goals.

Details of the activities for each objective to accomplish the established goals are defined in separate action plans.

VISION

To be a high performing and trusted provider of institutional investment services to our members, beneficiaries, employers, and taxpayers.



MISSION

Build and maintain the long-term stability of the investment fund to enable our partners to meet financial obligations and fund pension benefits for participants and beneficiaries.

OUR CORE VALUES



STRATEGIC GOALS



INVESTMENT GOAL

Generate net returns that exceed the assumed actuarial rate of return.

OBJECTIVES

01

Review and revise the asset allocation and Investment Policy Statement

Outcomes:

- Changes to the asset allocation expected to provide improved returns
- Staff and Board understanding of the risks associated with the strategic asset allocation

02

Develop investment plans for private market asset classes

Outcomes:

- Investment implementation plans for the private market asset classes

03

Conduct investment manager searches

Outcomes:

- Understanding and conviction in the manager structure for each asset class
- Passive management when there is not high conviction in alpha potential
- Selection of high-conviction active managers

04

Develop compliance monitoring and reporting framework

Outcomes:

- Timely compliance with all requirements

05

Expand investment communications

Outcomes:

- Improved communication materials and delivery leading to broader knowledge and more effective monitoring of IPOPIF investments

06

Resolve non-transferable assets

Outcomes:

- Article 3 Authorized Agent understanding of non-transferable assets resolution process
- Full transfer of all investment assets to IPOPIF, subject to investment prudence

GOVERNANCE GOAL

Ensure good governance by implementing best practices for accountability and transparency.

OBJECTIVES

01

Good governance policy and procedures

Outcomes:

- Board policies and procedures that promote transparency, accountability, and oversight
- Fund policy plan review schedule to ensure that policies are in-line with current legal, ethical, and governance standards

02

Enhance effectiveness of the Board and Organization

Outcomes:

- Enhanced board meeting effectiveness and efficiency
- Implementation of best practices for board effectiveness
- Board trustee member list of desired characteristics and competencies
- Compliance with legal and Fund policies

MANAGEMENT GOAL

Effectively and efficiently administer the fund to achieve desired results.

OBJECTIVES

01

Determine desired outputs and services of finance and accounting operations

Outcomes:

- ◆ A comprehensive catalogue of all outputs and services provided by the finance and accounting operations pertaining to all areas of responsibility, including the following subject matters:
 - ◇ Financial statements (monthly, ACFR, annual report, PAFR)
 - ◇ Budget (content of document, timing of amendments)
 - ◇ Actuarial reports
 - ◇ Cash management
 - ◇ Agreed-upon procedures for Article 3 Funds
 - ◇ Other accounting information

02

Develop, design and document internal controls, policies and procedures to support outputs and services pertaining to finance and accounting operations

Outcomes:

- ◆ Comprehensive documentation of process flows, job responsibilities, and policies that accomplish the outputs and services expected of finance and accounting operations
- ◆ Internal checklists and tracking tools that can be used by staff to ensure practical application of internal controls and consistency of procedures

MANAGEMENT GOAL

Effectively and efficiently administer the fund to achieve desired results.

OBJECTIVES

03

Evaluate current resources and long-term needs to support outputs and services of the finance and accounting operations

Outcomes:

- More effective utilization of existing resources and/or additional training on existing resources
- Staff development with best utilization of skills and competencies
- Determination if current software applications (general ledger, payroll, etc.) are the most effective and cost efficient for operational needs
- Opportunities for more effective utilization of external service providers with services or products not currently in use
- If applicable, recommendation of any resource changes or alternative resources or staff to support operational needs

04

Implement the information technology roadmap to align technology with best practices and team resources to achieve organizational goals

Outcomes:

- Fund team and Board members have appropriate technology to successfully accomplish their tasks and assignments in an efficient manner
- Protect the fund and stakeholders from malicious actors that use technology to hack and disrupt IT operations
- Address gaps identified in the IT assessment

05

Complete the human resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements

Outcomes:

- Retention of staff members
- Team member materials, handbooks and processes meet regulatory and policy compliance
- Employee performance standards
- Professional development of staff members

STAKEHOLDER RELATIONS GOAL

Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.

OBJECTIVES

01

Effectively provide information to participating pension funds, participants and beneficiaries, municipalities, and other stakeholders

Outcomes:

- Building of trust
- Timeliness of information
- Better informed participants and beneficiaries

GOVERNANCE GOAL

Ensure good governance by implementing best practices for accountability and transparency

OBJECTIVES

01

Good governance policy and procedures

Outcomes:

- Board policies and procedures that promote transparency, accountability, and oversight.
- Fund policy plan review schedule to ensure that policies are in-line with current legal, ethical, and governance standards.

02

Enhance Effectiveness of the Board and Organization

Outcomes:

- Enhanced board meeting effectiveness and efficiency
- Implementation of best practices for board effectiveness
- Board trustee member list of desired characteristics and competencies.
- Compliance with legal and Fund policies.

Strategic Objective

Objective Name:	GOOD GOVERNANCE POLICY AND PROCEDURES
Strategic Goal:	GOVERNANCE GOAL: Ensure good governance by implementing best practices for accountability and transparency
Objective Lead:	Richard White, Executive Director
Objective Background & Purpose:	<p>Build and maintain a governance structure including policies and procedures consistent with a large public pension plan to meet the highest fiduciary, investment, and actuarial standards.</p> <p>The basis of a strong governance structure is generally composed of principle elements including adherence to laws and rules; accountability; consistency; participation; consensus; transparency; responsiveness; inclusiveness; equity; effectiveness; and efficiency. The aim of this objective is to have a more robust Board governance that will result in greater accountability and transparency and strengthen the competency of the Board and staff through the comprehensive review of the current policies and implementation of best practices.</p>

Scope & Key Outputs

- Development of a Board governance document policy plan to keep track of the adoption and a review schedule to ensure that policies are current and in-line with current legal, ethical, and governance standards.
- Comprehensive review and update of Board governance documents including policies and procedures that promote transparency, accountability, and oversight.
- Gap analysis based on research of best practices and all legal requirements.
- Recommendations on policies to be updated and best practices.

Approach

The approach to building and maintaining a governance structure including effective policies and procedures will be conducted in steps. Step 1: Staff will begin with compiling all current policies into Board Governance Manual and developing a tracking process of the policies. Step 2: Staff will conduct a comprehensive review of all board governance documents with legal counsel to identify and prioritize the list of policies that need updating or best practices. Step 3: Staff will conduct research to identify best practices from comparable public pension plans; conduct a gap analysis; and prepare recommendations to the Governance Committee/Board to address any gaps. Step 4: Based on an approved prioritized list of policies, staff will develop the policies that require updating and best practices that need to be adopted for Committee/Board approval. Step 5: Upon approval of the policies, staff will implement, train, and evaluate the effectiveness of each policy.

Desired Outcomes

- Governance policy and procedure plan that describes appropriate policies for the Fund.
- Governance policy and policy tracking document to include schedule of adoption and review.
- Governance policy and procedure gap analysis to include policies and procedures that are needed to ensure good governance of the Fund.

Performance Measures

- Progress against the milestone and deliverables schedule.
- Completion of outcomes before the Governance Committee and Board of Trustees.

Action Plan

High-Level Schedule and Milestones

ID	Milestone/Deliverable	Target Completion Date
1	Governance Policy and Procedure Document Plan – list of current policies	February 2024
2	Governance Policy and Procedure Tracking Document -list of current policies	February 2024
3	Governance Committee Review and Recommendations	May 2024
4	Governance Policy and Procedure Gap Analysis Report	May 2024
5	Board of Trustee Review and Approvals of updated and new policies	Various – TBD

Additional details of the task and activities of the plan are attached.

Critical Success Factors

- The workload and schedule of Executive Team and Legal Team will be a critical component of the timely completion of this objective.

Constraints (optional)

- The workload and schedule of Executive Team and Legal Team will be a critical component of the timely completion of this objective.

Roles and Responsibilities

Team Member	Role	Responsibilities
1. Richard White	Executive Director	<ul style="list-style-type: none"> • Lead project • Assign tasks • Oversight and coordination • Research and development
2. Kent Custer	Chief Investment Officer	<ul style="list-style-type: none"> • Review and recommendations • Research and development
3. Regina Tuczak	Chief Financial Officer	<ul style="list-style-type: none"> • Review and recommendations • Research and development
4. Kate Cobb and Samantha Lambert	Administrative Analyst	<ul style="list-style-type: none"> • Research and development • Administrative tasks
5. Rick Reimer	General Legal Counsel	<ul style="list-style-type: none"> • Review and recommendations
6. Taylor Muzzy	Fiduciary Legal Counsel	<ul style="list-style-type: none"> • Review and recommendations
7. Jason Franken	Actuary	<ul style="list-style-type: none"> • Review and recommendations

Resource Needs

- Miscellaneous office and administrative technology and equipment
- Internet and technology

Date of Action Plan

December 8, 2023

Board of Trustees meeting agenda with materials. All agenda items are pending Board of Trustees review and action.

GOVERNANCE GOAL
Objective : Good governance policy and procedures
Objective Lead: Richard White
Project Start Date: January 2024

ID	Task	Lead	Start Date	Est. Effort	Status	% Complete	Comments/Dependencies
1.0	Develop governance policy and procedure document plan and tracking	Richard White					
1.1	Assemble all policies into one Board Governance Manual	Kate Cobb/Samantha Lambert	1/1/2024	1/24/2024	Started		A. Electronic filing (Teams) B. Hard paper copy
1.2	Prepare list of current policies	Kate Cobb/Samantha Lambert	1/1/2024	1/24/2024	Started		A. Electronic filing (Teams) B. Hard paper copy
1.3	Determine dates of adoption, last revision and review period for each policy	Kate Cobb/Samantha Lambert	1/1/2024	1/24/2024	Started		A. Electronic filing (Teams) B. Hard paper copy
1.4	Develop governance policy and procedure tracking documents	Kate Cobb/Samantha Lambert	1/1/2024	1/24/2024	Started		A. Electronic filing (Teams) B. Hard paper copy
	Develop Governance Committee Agenda Item and Materials	Richard White	1/22/2024	1/11/2024	Not started		Planned for Governance Committee meeting on February 9, 2024.
2.0	Review policies to be updated	Richard White					
2.1	Review Current Board governance documents	ED/COO/COO/Legal	1/1/2024	4/26/2024	Not started		Multiple policies which will have their own development timelines.
2.2	Consult with faculty and general counsels to discuss current policies that need updating and best practices	ED/COO/COO/Legal	1/1/2024	4/26/2024	Not started		Multiple policies which will have their own development timeline.
2.3	Develop priority list of the current policies to be revised	Richard White	2/1/2024	4/26/2024	Not started		
3.0	Conduct gap analysis	Richard White					
3.1	Conduct research of Board Governance of comparable public pension plans to identify best practices.	Richard White	2/13/2024	4/26/2024	Not started		
3.2	Review applicable legal statutes concerning governance of POPF.	Legal	2/13/2024	4/26/2024	Not started		
3.3	Compare POPF's Board Governance documents to best practices and legal requirements to identify gaps in current policies, process, procedures and structure.	ED/COO/COO/Legal	2/13/2024	4/26/2024	Not started		
3.4	Prepare gap analysis report and recommendations to the Governance Committee and Board to address any gaps and prioritized list of the policies that should be updated or adopted.	Richard White	4/26/2024	5/1/2024	Not started		
4.0	Development of policies	Richard White					
4.1	Upon approval of the recommendations from the gap analysis and priority list by the Governance Board, develop policies in priority order	Richard White	5/20/2024	6/5/2024	Not started		Multiple policies which will have their own development timelines.
4.2	Draft policies	ED/COO/COO/Legal	TBD	TBD	Not started		Multiple policies which will have their own development timelines.
4.3	Review policies with legal and update as needed	ED/COO/COO/Legal	TBD	TBD	Not started		Multiple policies which will have their own development timelines.
4.4	Develop Governance Committee Agenda Item and Materials	Richard White	5/1/2024	5/8/2024	Not started		Governance Committee meeting scheduled for May 23, 2024
4.5	Adoption of policy by Committee/Board	Richard White	5/20/2024	6/5/2024	Not started		Board of Trustee meeting scheduled for June 24, 2024
5.0	Implementation, training and evaluation of approved policies	Richard White					
5.1	Conduct training for Board and key staff members on the new policies, as necessary.	ED/COO/COO/Legal	TBD	TBD	Not started		
5.2	Implement policies and monitor implementation.	ED/COO/COO/Legal	TBD	TBD	Not started		
5.3	Update the Board Governance Manual.	Richard White	TBD	TBD	Not started		
5.4	Review, evaluate and modify the policies according to each policy's review cycle.	ED/COO/COO/Legal	TBD	TBD	Not started		

Status descriptions:
 Not Started
 In Progress
 Delayed
 Complete



**Illinois Police Officers'
Pension Investment Fund**

Administration/Operations Update

**Richard White,
Executive Director**

**IPOPIF Board Meeting
Friday, February 9, 2024**

COMMUNICATIONS

- **Article 3 Police Pension Funds**
 - Monthly investment reports through December 2023 for each of the Article 3 funds have been posted to the Website.
 - Reports continue to be available to Funds via on-line portal.
- **Newsletter**
 - December 2023 newsletter published December 29, 2024
- **Annual Comprehensive Financial Report**
 - ACFR distributed to Board of Trustees, IDOI, and posted to IPOPIF website on December 27, 2023.
- **Public Meetings and Presentations**
 - Regional Stakeholder Meeting – February 21



**Illinois Police Officers'
Pension Investment Fund**



**Illinois Police Officers'
Pension Investment Fund**

REGIONAL STAKEHOLDER MEETING

**WEDNESDAY,
February 21, 2024
1:00 PM – 5:00 PM**

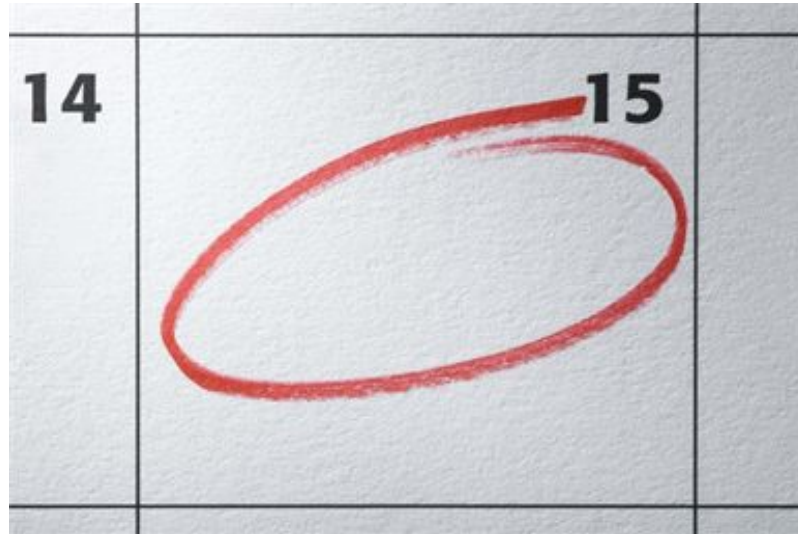
Chicago Marriott Hotel
1801 North Naper Blvd.
Naperville, IL

Regional Stakeholder Meeting Calendar

DAY	DATE	LOCATION
WEDNESDAY	FEBRUARY 21, 2024 1:00 PM – 5:00 PM	NAPERVILLE Chicago Marriott Hotel
WEDNESDAY	MAY 8, 2024 1:00 PM – 4:00 PM	GALENA IPPFA Pension Conference Eagle Ridge Resort
WEDNESDAY	JULY 10, 2024	QUINCY
WEDNESDAY	OCTOBER 23, 2024	ROCKFORD

Revised: February 2024.

BOARD AND COMMITTEE MEETINGS



Board of Trustees:

Friday

April 12, 2024

TBD

Board of Trustees:

Friday,

March 8, 2024

Marriott Pere Marquette



**Illinois Police Officers'
Pension Investment Fund**

Administration/Operations Update

**Richard White,
Executive Director**

**IPOPIF Board Meeting
Friday, February 9, 2024**