



# Illinois Police Officers' Pension Investment Fund

## Board of Trustees Special Meeting- February 6, 2026

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 6, 2026, at 9:30 AM at the Twin Towers Building, 456 Fulton Street, Suite 402, Peoria, IL. 61602.

Members of the public who wish to observe/participate in the meeting may do so (1) from the IPOIF meeting room or (2) via the live stream on the Zoom video conferencing platform (information below) from any location. By entering the meeting, participants agree to be audio and video recorded.

Join Zoom Meeting via Video:

Video: [www.zoom.us](http://www.zoom.us)

Meeting ID: 841 2137 1979

Passcode: 159065

Join Zoom Meeting via Dial-In:

Dial In: (312) 626-6799

Meeting ID: 841 2137 1979

Passcode: 159065

Board of Trustees: Trustee Bowers (Secretary); Trustee Catavu (Vice Chair); Trustee Hopkins; Trustee Inman; Trustee Nawrocki; Trustee Poulos; Trustee Suess; Trustee Swanlund (Chair).

February 06, 2026 09:30 AM Central Time (US and Canada)

### Agenda Topic

Board of Trustees

1. [Call Meeting to Order and Roll Call](#)
2. [Remote Meeting Participation: Discussion and Potential Action \(If necessary\)](#)

Investments

3. [Private Market Strategic Plan - Approval: Discussion and Potential Action](#)
4. [Investment Policy Statement and Strategic Asset Allocation - Approval: Discussion and Potential Action](#)
5. [Chief Investment Officer Report: Discussion and Potential Action](#)

Board of Trustees (Continued)

6. [Board of Trustees Meeting Minutes Approval– January 16, 2026: Discussion and Potential Action](#)
7. [Accept Legislative Committee Meeting Minutes -June 13, 2025: Discussion and Potential Action](#)
8. [Designation of Open Meetings Act designee and Freedom of Information Act officer: Discussion and Potential Action](#)
9. [Review and Release of Closed Session Minutes: Discussion and Potential Action in accordance with 5 ILCS 120/2\(c\)\(21\).](#)
10. [ByLaws Amendment- Approval: Discussion and Potential Action](#)
11. [Chief Investment Officer Employment Agreement contract expiration of April 30, 2026, and extension provisions: Discussion and Potential Action](#)
12. [Executive Director Employment Agreement contract expiration of May 31, 2026, and extension provisions: Discussion and Potential Action](#)
13. [Adjourn to Closed/Executive Session to discuss the appointment, employment, compensation, discipline, performance, of dismissal of the Executive Director or Chief Investment Officer in accordance with 5 ILCS 120/2\(c\)\(1\).](#)
14. [Report on Actions Taken in Closed Session \(if necessary\)](#)
15. [Public Comment](#)

Adjournment

**NOTE: Agenda materials provided are for the information of the reader in advance of the noticed meeting.**

**Discussion and formal action, if any, on any agenda item will be taken by the Board of Trustees at the noticed meeting in accordance with the Open Meetings Act.**



## BOARD MEMBERS

### Scott Bowers

Participant Representative  
Peoria, IL

### Lee Catavu

Participant Representative  
Aurora, IL

### Paul Swanlund

Participant Representative  
Bloomington, IL

### Daniel Hopkins

Beneficiary Representative  
Collinsville, IL

### Mark Poulos

Beneficiary Representative  
Rock Island, IL

### Michael Inman

Municipal Representative  
Macomb, IL

### Debra Nawrocki

Municipal Representative  
Elgin, IL

### Phil Suess

Municipal Representative  
Wheaton, IL

### Vacant

Illinois Municipal League  
Representative

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## BOARD OF TRUSTEES MEETING

**FRIDAY, MARCH 20, 2026**

### A. CALL MEETING TO ORDER

THE SPECIAL MEETING OF THE BOARD OF TRUSTEES WAS CALLED  
TO ORDER AT \_\_\_\_\_ AM BY CHAIRPERSON SWANLUND.

### B. ROLL CALL OF TRUSTEES

TRUSTEE	PRESENT	ABSENT
BOWERS		
CATAVU		
HOPKINS		
INMAN		
NAWROCKI		
POULOS		
SUESS		
SWANLUND		
VACANT		

### C. ADJOURNMENT

THE SPECIAL MEETING OF THE BOARD OF TRUSTEES WAS  
ADJOURNED AT \_\_\_\_\_ AM/PM.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: AGENDA ITEM: REMOTE MEETING PARTICIPATION

DATE: FEBRUARY 6, 2026

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**RECOMMENDATION:** Motion to allow Trustee \_\_\_\_\_ to participate in the February 6, 2026, meeting of the Board of Trustees by audio, video, or internet conferencing due to an OMA exception.

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#### **§209    Remote Attendance**

- a) 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; (3) a family or other emergency, or (4) unexpected childcare obligations. 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.

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.

**Six members of the Board of Trustees are required to be physically present in the Board meeting room to comply with the quorum requirement of the Open Meetings Act.**



# Illinois Police Officers' Pension Investment Fund

## Approval of Private Markets Investment Strategic Plan and Objectives February 6, 2026

- The Private Markets Investment Strategic Plan was reviewed at the 9/12/25 and 12/16/25 Board Meetings.
- Staff is requesting approval of the strategic plan and objectives in accordance with the Investment Policy section IV.B.4 relating to responsibilities of the Board.
- A staff memo and the Albourne Strategic Plan presentation are attached for reference.



## **MEMORANDUM**

**DATE:** January 6, 2026  
**TO:** IPOPIF Board of Trustees  
**FROM:** Kent Custer, Chief Investment Officer; Greg Turk, Deputy CIO  
**SUBJECT:** Approval of Private Markets Investment Strategic Plan

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### **Recommendation**

That the Board of Trustees approve the Private Markets Investment Strategic Plan and the specific objectives identified by Staff.

### **Background**

- Albourne was hired as the Private Markets Consultant in April 2025.
- Staff and Albourne developed the Private Markets Investment Strategic Plan (“Plan”) over the summer. This work aligns with a current strategic objective to “Develop investment plans for private market asset classes.”
- The preliminary Plan was presented to the Board by Albourne at the September 12, 2025, Board meeting. Additional work was needed for Real Estate and Real Assets.
- The final Plan was presented to the Board at the December 12, 2025, meeting with the primary focus on Real Estate and Real Assets. The final Plan as presented in December is attached again for reference, but no changes have been made.
- The Investment Policy Statement (IV.B.4) specifies a Board Responsibility for “Reviewing and approving the strategic plan and objectives.”

### **Objectives**

Staff believes that the investment searches identified in the Plan best capture the strategic objectives as summarized below.

<b>Objective</b>	<b>Start</b>	<b>Target End</b>
<b>Conduct Private Market Investment Searches</b>		
Private Equity Manager Search	Sep 2025	June 2026
Private Infrastructure Manager Search	Jan 2026	Sep 2026
Private Real Estate Manager Search	Mar 2026	Dec 2026
Private Credit Manager Search	Jun 2026	Mar 2027

- Searches are expected to follow a process and timeline similar to the private equity search.
- The nine-month windows include a six months for the RFP search process and three months for final documentation and implementation.
- All searches and final selection are subject to Board approval



December 2025

# Private Markets Investment Strategic Plan

Albourne America LLC



[www.albourne.com](http://www.albourne.com)



# Program Overview

The core program beliefs emphasize patience in long-term implementation, excellence in generating returns, prudence in diversification and capital protection, flexibility in seizing opportunities, and introspection in developing best-in-class practices and governance.

## Core Program Beliefs

- **Patience**
  - Adhere to a long-term perspective and have patience in implementing the investment program
  - Develop a multi-year plan for capital deployment
  - Be realistic with early expectations
- **Excellence**
  - Generate returns sufficient to meet IPOPIF needs and above public market equivalents.
  - Be highly selective and invest in a core group of managers that represent best-in-class performance
  - Be performance driven and avoid diluting the best ideas or highest conviction managers
  - Partner with fund managers who have strong alignment of interests with their investors
- **Prudence**
  - Be properly diversified and protect against permanent capital loss
  - Diversify by vintage year, strategy, geography, and style
- **Flexibility**
  - Remain nimble to take advantage of opportunities while adhering to a formulated pacing plan
- **Introspection**
  - Continually develop best-in-class practices and governance



# Program Overview

Develop a multi-year private markets investment plan with asset targets, pacing models, investment procedures, risk management systems, data collection protocols, regular reviews, and best practices in governance, operations, and investments.

- **Goals & Actions (2025 – 2026)**

- **Identify** and implement best practices across governance, operations, and investments
  - Review of investment policy statements
  - Review of investment process
  - Process review
- **Develop** a multi-year plan for the private markets investment program
  - Asset class targets
  - Pacing models
  - Procedures for sourcing, selecting, and implementing investments
- **Create** procedures and system to responsibly identify and manage risk
  - Procedures for data collection
  - Quarterly and ad hoc quantitative and qualitative reviews and reports



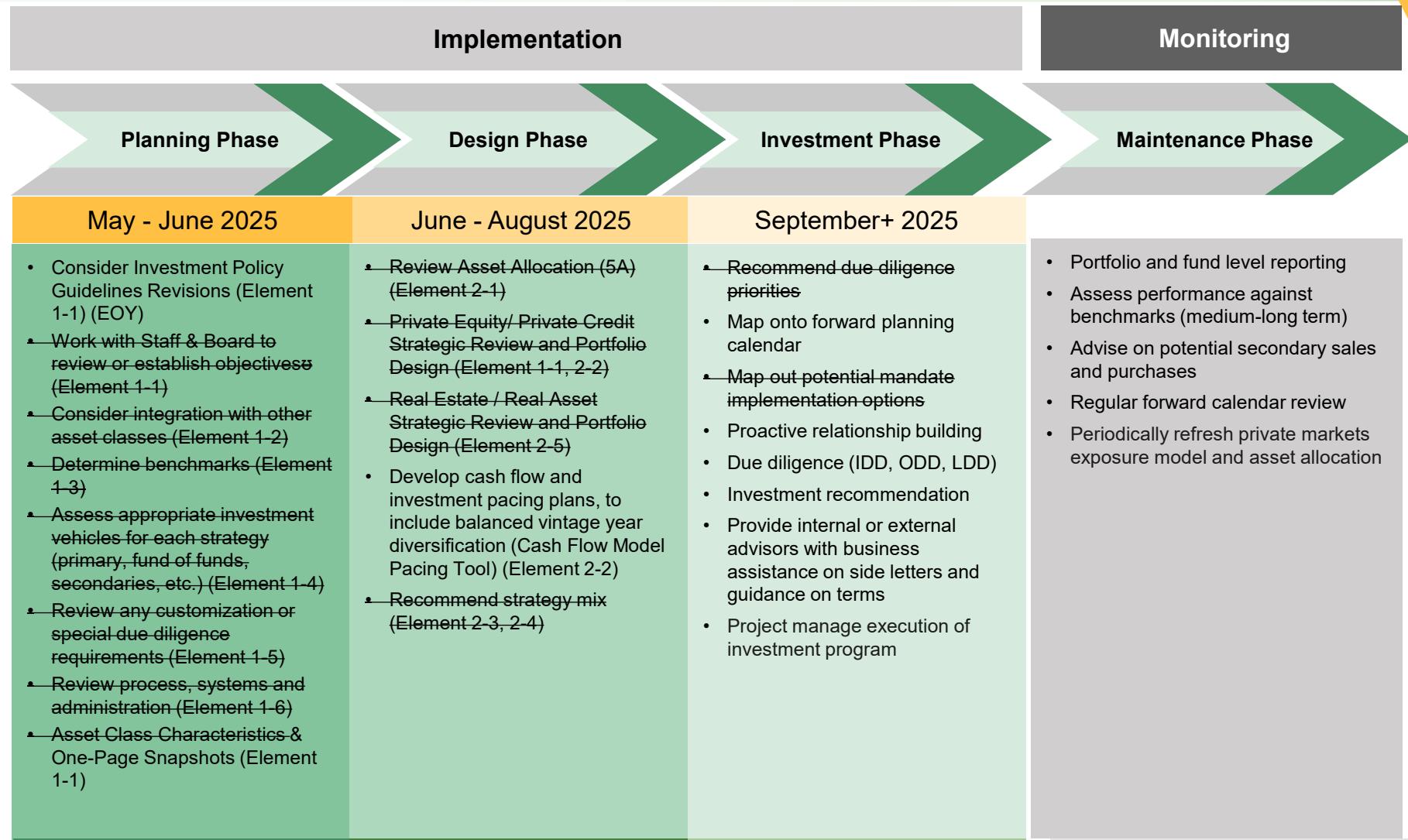
# Planning & Design Phase

## Deliverables

Item	Timeline
Asset Class Objective Setting	June 2005
Investment Policy Statement Guidance & Recommendations	June 2025
Process Review / RFP Process Recommendations	June 2025
Benchmark Recommendations	June 2025
Asset Allocation Recommendations	July/August 2025
Asset Class Market Mapping and Strategic Partner Short List Process	July 2025
September Board Materials	August 2025
Cash Flow Model (Initial Pacing Plan)	September 2025
Search Plan for 2025-2026	
Private Equity / Secondaries	September 2025
Real Assets	1Q 2026
Real Estate	2Q 2026
Private Credit	3Q 2026
RE/RA Research	October 2025
Draft/Sample Performance Report/Report Template	September 2025
Cash Flow Model (Final Pacing, Post-5A)	December 2025 / 1Q 2026
Back Office On-Boarding	4Q 2025



# Portfolio Planning Process





## Planning Phase



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

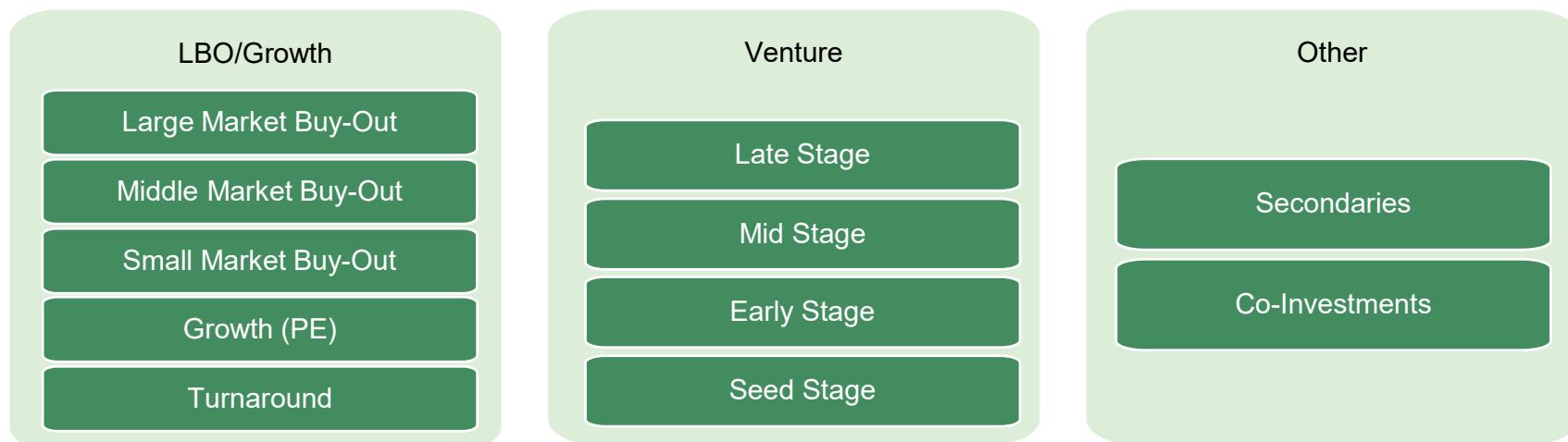
### Private Equity

#### Current IPS Objectives

- Defined under “Growth Assets”
- Objective: capital appreciation
- Acknowledges “illiquidity” and need for “patience”
- Target Allocation: 7%

#### Recommendations

- Consider including a long-term performance goal for private equity that ties the performance goal of “capital appreciation” with the observations on “illiquidity”
  - eg, “Private Equity is expected to outperform public equivalents by 200-400 bps in the long-run”





# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Private Equity

	Buyout	Growth Equity	Venture Capital	Secondaries
Description	<p>Acquiring an established company with debt as major source of financing. Goal is to generate equity value through operational improvements or additional acquisitions (buy+build). Debt is paid down using the company's own cash flows.</p> <p>Buy-out is by far the largest component of the Private Equity market comprising an estimated 70% of the total PE Universe</p>	<p>Growth Equity typically involves making minority equity investments in mature businesses seeking growth capital. Growth Equity fits between Buyout and Venture Capital and represents ~ 20% of the Private Equity market.</p> <p>Performance is driven by revenue growth and multiple expansion. Tends to be technology or health care focused</p>	<p>Venture Capital involves making equity investments in young businesses with little proven track record in profitability or revenue generation.</p>	<p>Secondary Private Equity Transactions involve the buying and selling of existing portfolios of Private companies (Direct) or Private Equity Fund Interests (LP Secondaries). Increasingly, GP-led transactions that focus on one or more underlying investments in a fund are common</p>
Key Considerations	<p>Investors are exposed to leverage / HY cycles and tend to perform well in periods of low interest rates and strong corporate balance sheets</p>	<p>Investors have some influence, but as minority investors, do not have full control of the business. Growth Equity tends to have a higher public markets correlation than buyout</p>	<p>Venture Capital Portfolios are less liquid than buy-out portfolios as VC companies take longer to be cash generative, and longer to exit</p>	<p>Greater diversification: Investors buy into an established pool of Private Equity interests with reduced "blind pool" risk, but with two layers of fees – underlying GP and Secondaries Manager</p>
Return Profile (gross / net)	20-30% / 15-25%	20-25% / 15-20%	25-35% / 20-30%	16-20% / 15-17%
Fund Multiple (gross / net)	2.0-3.0x / 1.7-2.5x	2.5-3.0x / 2.0-2.5x	3.0-4.0x / 2.5-3.5x	1.5-1.7x / 1.4-1.6x



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

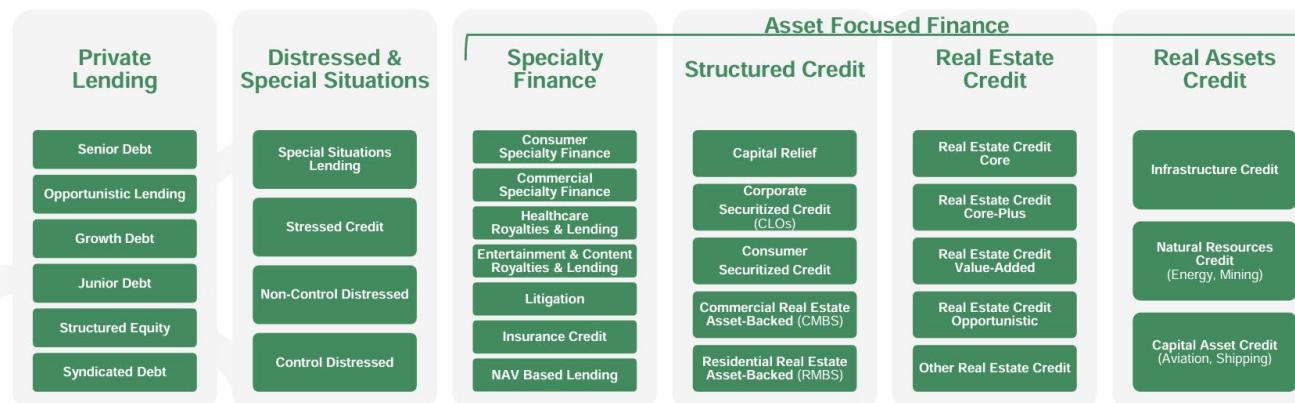
### Private Credit

#### Current IPS Objectives

- Defined under “Income Assets”
- Objective: Current income and capital appreciation
- Acknowledges “illiquidity”
- Target Allocation: 5%

#### Recommendations

- Tighten the language that the asset class is yield and return of capital oriented and will seek capital appreciation as market conditions warrant (removes the need for a “strategic allocation” to distressed)
- Consider including a long-term performance goal for private credit that ties the performance goal of “capital appreciation” with the observations on “illiquidity”
  - eg, “Private Credit is expected to outperform public equivalents by 100-200 bps in the long-run”





# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Role of Credit in a Portfolio

		Total Return	Income	Diversification	Liquidity	Inflation Participation
Liquid	Investment Grade		●		●	
	Leveraged Loans		●		●	○
	High Yield Bonds	○	●		○	
Semi-Liquid	Emerging Markets Debt (LO/HF)	○	●	●	○	
	Relative Value Credit (HF)			●	●	
	Structured Credit (HF/PM)		●	○	○	
	Distressed & Special Situations (HF/PM)	●		○		
Illiquid	Senior Lending		●		○	○
	Subordinated Debt		●			
	Mezzanine	○	●			
	Asset-Backed & Specialty Finance		●	●		
	Real Estate Debt	○	●	●		●
	Real Assets Debt	○	●	●		●



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Private Credit

	Senior Direct Lending	Specialty Finance	Structured Credit	Real Estate Credit	Real Asset Credit	Distressed
Description	Senior secured loans made directly to private equity owned companies; floating rate	Non-corporate lending that occurs outside of the traditional banking system; e.g. equipment leasing, or, claims on an income stream from a particular asset (eg royalties)	Invests in asset back securities and other structured credit instruments like CLOs. And may be active in derivatives contracts that transfer risk on a portfolio of assets (eg where the fund provides insurance to a bank or other financial company for regulatory capital relief)	Private investments comprise senior mortgages, mezzanine loans or preferred equity investments to finance/refinance real estate assets. May also invest in public investments in the primary and secondary markets	Senior secured private lending to infrastructure projects or other natural - resource oriented businesses (eg mining or oil & gas)	Lending to borrowers that are insolvent or in distress or investing in securities of troubled companies
Credit Profile	Senior Secured	Collateralized/ Secured	Collateralized/ Secured	Collateralized/ Secured	Senior Secured	Indeterminant
Syndication	Broadly	Rarely	Occasionally	Occasionally	Occasionally	Rarely
Equity Participation	No	No	No	Occasionally	Occasionally	Yes
Return Drivers	Yield	Yield	Yield	Yield	Yield	Total Return
Duration	Short	Short/Medium	Short/Medium	Medium	Medium	Medium/Long
Fund Multiple	1.25x	1.25x	1.35x	1.5x	1.2x	1.50x
Fund IRR Range	7-9%	7-9%	8-10%	8-10%	6-8%	12-18%



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Real Assets

#### Current IPS Objectives

- Real Estate & Real Assets
- Defined under “Real Assets”
- Objective: diversification, return enhancement, inflation protection
- Acknowledges “illiquidity”
- Target Allocation: 8% (RE: 5%; Infra: 3%)
- **Recommendations**
  - Separate Real Assets and Real Estate into discrete allocations
  - Discussion of the trade-offs with the currently listed objectives
  - Consistent with best practices and alignment with Albourne verticals
  - Each asset class has different risk and performance drivers
  - Responsiveness to inflation, interest rates, economic activity may be different
  - Consider integrating publicly listed real estate (REITS) within the Real Estate structure; alternatively, invest in REITS within Public Equity portfolio

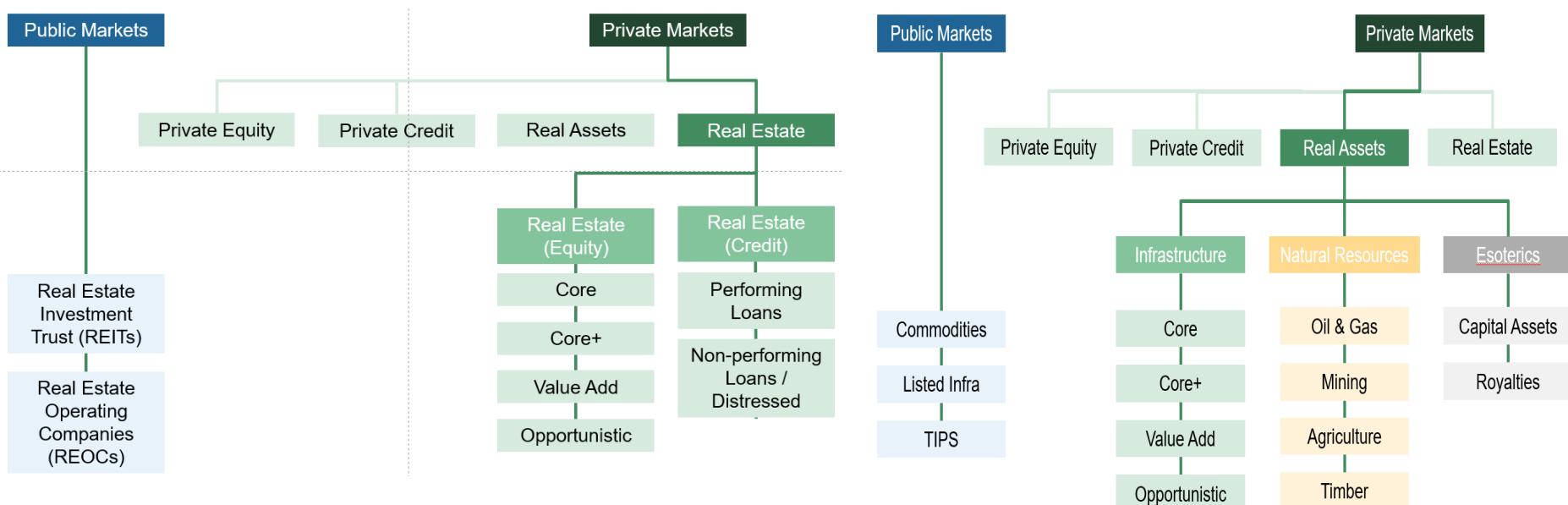


# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Real Assets

- Recommendations (continued)**
- Redefine “Infrastructure” into a broader “Real Assets” category to permit a more flexible approach to the asset class
- Additional Research and Analytics
  - Perform further research and analytics to create the most prudent goals and objectives for Real Estate and Real Assets
  - Research targets for each structure to ensure alignment with strategic goals





# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

Uniquely characterized for the development of objective oriented portfolios. Structural elements allow for investors to consider allocations at the policy, strategic, and tactical level.

	Liquid Assets	Illiquid Assets
<b>Definition &amp; Characteristics</b>	<ul style="list-style-type: none"> <li>Financial instruments that provide exposure to physical assets</li> </ul>	<p>Investments in or backed by physical assets</p> <ul style="list-style-type: none"> <li>Durable, immobile, tangible</li> <li>Finite in supply</li> <li>Useful to people</li> <li>Unique in location and composition</li> </ul>
<b>Typical benefits to portfolio</b>	<ul style="list-style-type: none"> <li>Diversification</li> <li>Yield Generation</li> <li>Return Enhancement</li> <li>Inflation Participation</li> </ul>	<ul style="list-style-type: none"> <li>Diversification</li> <li>Return Enhancement</li> <li>Yield Generation</li> <li>Inflation Participation</li> </ul>
<b>Risk &amp; return characteristics</b>	<ul style="list-style-type: none"> <li>Commodities, REITs and Real Estate-related stocks have historically generated equity-like returns</li> <li>High volatility</li> </ul>	<ul style="list-style-type: none"> <li>Viewed by many as a complementary asset class to traditional asset classes, due to current income and reduced volatility, but with the expectation that asset values will participate with inflation</li> <li>Value-Added and Opportunistic strategies can have some equity-like characteristics via their growth in value</li> </ul>



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

Seeking to participate in or protect against both anticipated and unanticipated inflation. Depending on the required spread, some combination of Infrastructure & Real Estate with long term inflation linkages and Natural Resource with higher inflation beta should be targeted.

Seeking to generate yield which is uncorrelated to Fixed Income markets. This portfolio may try to match pensions' longer-term liabilities and serve as a reliable form of distributions regardless of the economic environment.

IPOPIF's objectives include **diversification** from **equity beta** and **vintage year** diversification achieved through steady deployment.

Inflation Protection

Income Generation

Diversification

Return Enhancement

Seeking to reduce Equity beta and enhance downside protection. Underlying asset mix will vary depending on the required rate of return necessary to justify commitments.

IPOPIF seeks to **enhance returns** of its portfolio by seeking attractive risk-adjusted returns and lower cost structures.

Institutions may choose to be tactical, capitalizing on macro trends that are long term in nature. This may amplify return profiles that are aligned with other asset classes but in a leading or lagging profile that is off cycle to traditional PE or RE. This is generally measured as GDP sensitivity, or commodity sensitivity and is intended to be accretive to overall performance.



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Real Assets

Asset Class	Income Generation	Inflation Sensitivity	GDP Sensitivity	Leverage
<b>Natural Resources</b>				
Energy	High	High	High	Low
Mining	High	Medium	Medium	Low
Agriculture	Medium	High	Low	Low
Timber	Low	Medium	Medium	Low
<b>Infrastructure</b>				
Core	High	High	Low	High
Core+	Medium	Medium	Low	Medium
Value Add	Low	Medium	Medium	Medium
Opportunistic	Low	Low	High	Low

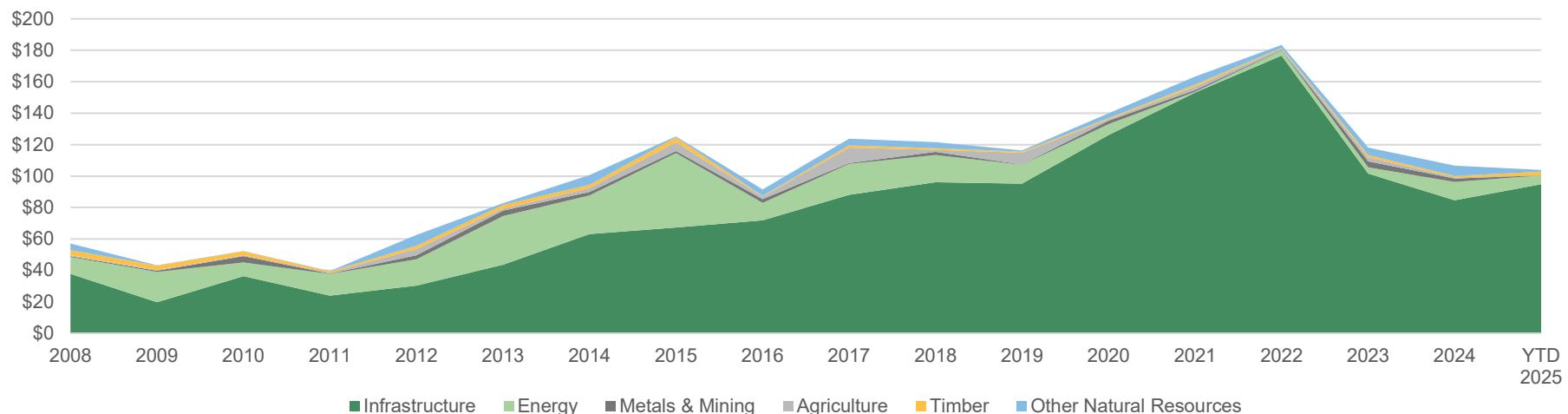




# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Private Real Assets Committed Capital (\$billions)



- Infrastructure represents a growing opportunity set and comprises a large percentage of the Real Assets investable universe.
- Infrastructure assets tend to be less cyclical relative to other real asset peers such as oil and gas and commodities, thus reducing the return dispersion and potential for material adverse outcomes.



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

Real Estate is accessed through many types of vehicles; vehicles primarily differ on characteristics such as liquidity, control, fees, and regulation/tax.

	REITs and REOCs	RMBS/ CMBS	Core and Core-Plus Private	Non-core Private	Non-core Private	Secondary Fund Interests	Co-Investment	Direct Properties
<b>Structure</b>	Mutual funds and separate accounts	Open-ended funds	Open-ended funds	Closed End Funds	Fund of Funds	Closed End Funds	Separate account/JV	Separate account
<b>Minimum Commitment</b>	Low	Low	Low to Moderate	Moderate	Moderate	Moderate	Low to High	High
<b>Liquidity</b>	High	High to Moderate	Moderate	Low	Low	Low	Low	Moderate
<b>Control</b>	High	Low to Moderate	Low	Low	Low	Low	Low	High
<b>Depth of Staff Resources</b>	Low	Low	Low	Moderate	Low	Low to Moderate	Moderate to High	High
<b>Fees</b>	Low	Low to Moderate	Moderate	High	Very High	High	Moderate to High	Moderate
<b>Valuation Frequency</b>	Daily	Monthly	Quarterly	Quarterly to Annually	Quarterly to Annually	Quarterly to Annually	Quarterly to Annually	Quarterly to Annually
<b>Distribution of Income</b>	Monthly	Monthly	Quarterly	Infrequent	Infrequent	Infrequent	Infrequent	Quarterly to Quarterly



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Real Estate

Property Type <sup>1</sup>	Income Generation	Inflation Sensitivity	GDP Sensitivity	Lease Term
<b>Traditional</b>				
Industrial	High	Low	High	Medium
Multi-family	High	High	Medium	Low
Office	Low	Medium	High	Medium
Retail	Medium	Medium	High	Medium
<b>Niche<sup>1</sup></b>				
Data Centers	Medium	Low	Low	High
Hospitality	Medium	High	High	Low
Life Science	Medium	Medium	Medium	Medium
Self-storage	High	High	Low	Low
Senior Housing	Low	High	Medium	Low

<sup>1</sup>Sample of niche property types; list is not comprehensive.

### Target Fund-Level Net Returns<sup>2</sup>



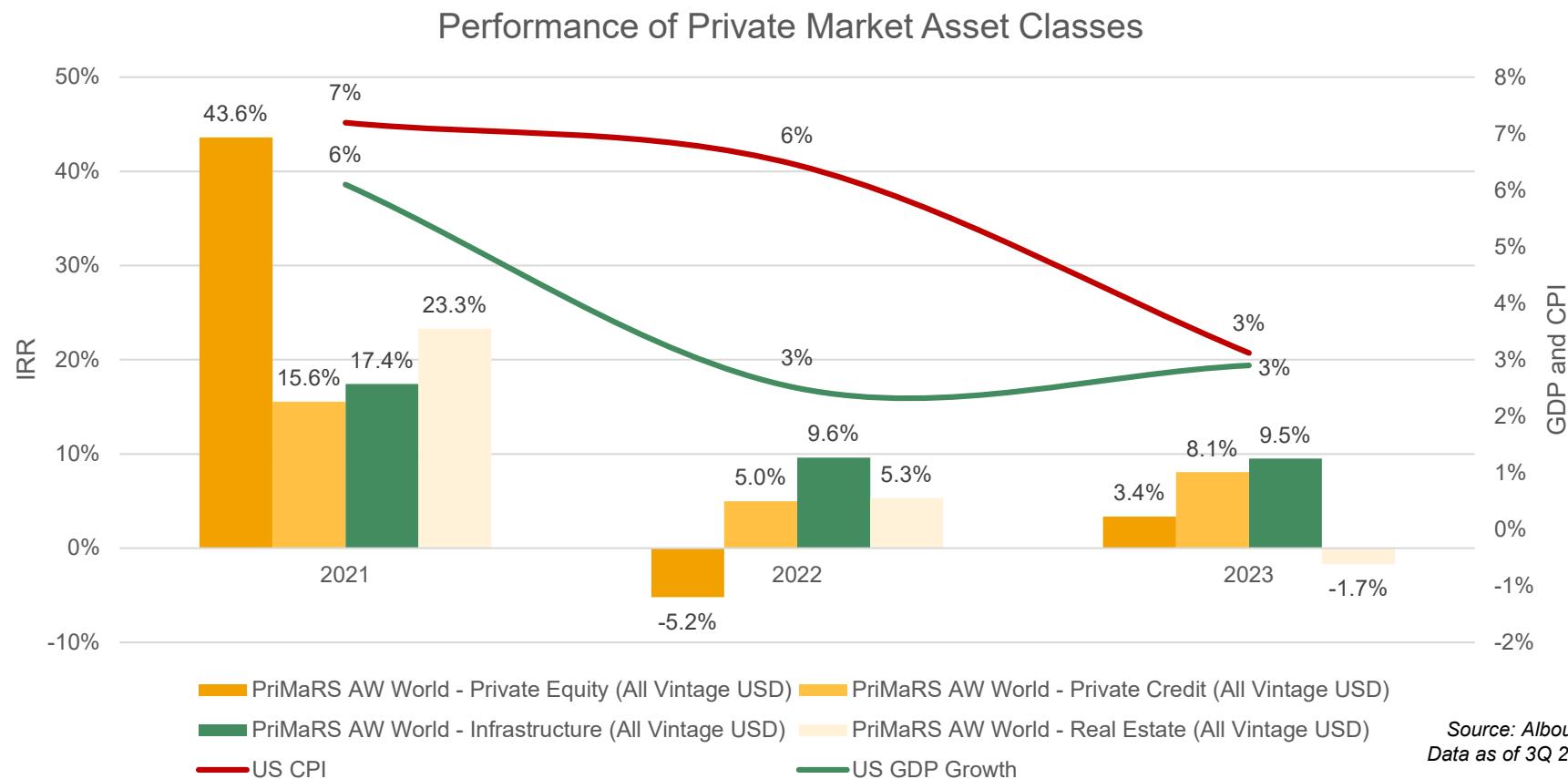
<sup>2</sup>Target Fund-Level Net Returns are the consensus fund-level net returns targeted by managers at the fund-level for each style.



# Planning Phase

## Element 1-1: Recommend Real Assets Strategy Mix

- Infrastructure has proven resilient through various economic conditions and offers attractive risk-adjusted returns relative to Other Real Assets sectors.





# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Infrastructure

Key Characteristic	Core	Core+	Value-Added	Opportunistic
Description	Mature, lower-risk, operational assets. Core infrastructure assets tend to be in developed markets, have stable capital structures, and have predominately contracted or regulated revenues with minimal exposure to any shifts in volumes across the system.	Mature assets requiring some enhancements, seeking to provide investors with more appreciation potential. While assets have contracted or regulated revenues, there may be room to improve upon contracts with better terms or counterparties.	Assets with development needs that offer appreciation potential. Assets are contracted in near-term with potential volume risks. Value-Added infrastructure assets can be located in developing or emerging markets.	Assets with significant development or restructuring needs. Opportunistic infrastructure generally has revenues that are very sensitive to shifts in demand, as they may be dependent on volume or price, or located in an emerging market.
Key Considerations				
Monopoly/Oligopoly	Yes	Yes	Substitution Risk	Demand Risk
Long Term Contracts	Multi-Decade	As low as 10+ years. Matched to Debt Tenor and Asset Life	Less than 10 years with some mismatch	Merchant can be 100%
Stable Jurisdictions	OECD	OECD	OECD & EM	OECD & EM
Asset Ownership Structure	Publicly Traded & Private Markets	Publicly Traded & Public Markets	Private Markets	Private Markets
Development	No	25-30%	50%	Yes
Return Profile	6-9% IRR	9-12% IRR	12-15% IRR	15%+ IRR



# Planning Phase

## Element 1-1: Work with Staff & Board to review or establish objectives

### Private Real Estate

	Core	Core+	Value-Added	Opportunistic
Description	<ul style="list-style-type: none"> <li>High-quality property &amp; high-quality tenants in prime location</li> <li>Little to no debt (&lt;40% LTV)</li> <li>Predictable, bond-like cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Good quality property &amp; good credit quality tenants in prime/secondary locations</li> <li>Some debt (~50% LTV)</li> <li>Predictable cash flows with some potential for appreciation</li> </ul>	<ul style="list-style-type: none"> <li>Underperforming property in need of improvements, renovations or repositioning</li> <li>Typically under-leased</li> <li>Uncertain cash flow profile</li> <li>More reliance on debt (60-80% LTV)</li> </ul>	<ul style="list-style-type: none"> <li>Development orientation or distressed situation</li> <li>Little to no current cash flows</li> <li>Likely highly levered (&gt;80% LTV)</li> </ul>
Key Considerations	<ul style="list-style-type: none"> <li>Low macro risk exposure due to stable income and high-quality tenant profile</li> <li>Little exposure to interest rate risk due to low leverage</li> <li>Little need to capital improvement or active management of property</li> </ul>	<ul style="list-style-type: none"> <li>Some sensitivity to economic conditions due to the nature of the property and tenants</li> <li>Some need for property active management (e.g. leasing, improvements)</li> <li>Moderate exposure to interest rate risk</li> </ul>	<ul style="list-style-type: none"> <li>Higher exposure to the economic cycle and sensitivity to GDP growth</li> <li>Higher need for active management for property improvement and repositioning</li> <li>More sensitive to interest rates given the leverage</li> </ul>	<ul style="list-style-type: none"> <li>Very sensitive to the economic cycle and interest rates</li> <li>Little or income is generated; exit strategy needs favorable market conditions</li> <li>Very high need for competent active management to maximize value</li> </ul>
Property Type/ Transaction Examples	<ul style="list-style-type: none"> <li>Stabilized Office</li> <li>Institutional Multifamily</li> <li>Industrial Logistics</li> </ul>	<ul style="list-style-type: none"> <li>Suburban Office</li> <li>Student Housing</li> </ul>	<ul style="list-style-type: none"> <li>Repositioning Office</li> <li>Multifamily Renovation</li> <li>Hotel Turnarounds</li> <li>Industrial Redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>Ground-Up Development</li> <li>Distressed Assets</li> <li>Land Banking</li> <li>Adaptive Reuse Projects</li> </ul>
Asset Ownership Structure	Public & Private Markets	Public & Private Markets	Private Markets	Private Markets
Development Risk	No	No	Little	Potentially Significant
Return Profile	6-7% IRR	7-11% IRR	10-15% IRR	13%+ IRR



# Planning Phase

## Element 1-2: Consider integration with other asset classes

### Private Equity

- Included in "Growth" asset class with other equity sub-asset classes
- *No further action needed currently*

### Private Credit

- Included in "Income" asset class with other credit sub-asset classes
- *No further action needed currently*

### Real Estate & Real Assets

- Included in "Real Assets" asset class
- Consider renaming asset class as "objective" oriented (relates to Element 1)
- Continue allocating to REITs in Real Estate (holistic Real Estate Allocation)
- Expand beyond just Infrastructure in the Real Assets allocation
- *Undertake broader asset class discussion, review and analysis*



# Planning Phase

## Element 1-3: Determine benchmarks

Benchmarking within private markets should measure two distinct dimensions:

- The opportunity cost of investing in private markets compared to liquid alternatives
- The effectiveness of manager and fund selection

Benchmarks should have the following criteria (Bailey):

**Investable:** The option should be available in order to forego active management and simply hold the selected performance benchmark. Without being investable, the alternative is not truly viable

**Measurable:** It is possible to readily calculate the benchmark's own return on a reasonably frequent basis that at least matches the reporting periodicity of the investment

**Unambiguous:** The names and weights of securities comprising the benchmark are clearly delineated and understandable

**Specified in advance:** The benchmark is constructed prior to the start of an evaluation period

**Representative:** The benchmark is consistent with the portfolio's investment style or biases

*Neither private markets nor public markets benchmarks fully pass the test, so both are used*



# Planning Phase

## Element 1-3: Determine benchmarks

### Private Equity

- MSCI All Country World IMI would be an appropriate choice and consistent with the indices for public markets equities and consistent with the current investment policy
- Expectations for an allocation that is US-biased would tilt towards Russell 3000, although establishing a global benchmark index, such as the MSCI All-Country World Index IMI may be helpful with an eye towards the allocation's future state

### Private Credit

- Either credit index currently used to represent leveraged loans or high-yield in the investment policy statement would be appropriate (or a blend of the two).
- If the allocation's objective is refined to only income and return of capital, the Leveraged Loan Index would be most appropriate. If the objective is to retain some element of capital appreciation, a blend of the two indices is the best practice.

### Real Estate & Real Assets

- To reflect the objectives for Real Assets and implementation considerations using the Dow Jones Brookfield Global Infrastructure would be appropriate
- Current index for Real Estate is acceptable (NFI-ODCE), if the allocation is heavily tilted towards open-ended core funds. Use of the REIT Index would represent "investable" alternative and a good public markets proxy



# Planning Phase

## Element 1-3: Determine benchmarks

	Relative to Public Markets Indices	Relative to Private Markets Indices	Public Markets Equivalent (PME) <sup>1</sup>
<b>Private Markets – Portfolio Level</b>	Total return relative(TWR lagged) to blended public markets index that represents the asset allocation or portfolio goals.	Blend of private market indices that reflect asset allocation and portfolio characteristics	Blended PME that reflects asset allocation for the entire private markets portfolio
<b>IPOPIF Private Markets Index</b>	<ul style="list-style-type: none"> <li>MSCI ACWI IMI: 35%</li> <li>CSFB Leveraged Loan Index: 12.5%</li> <li>ICE BaML High Yield Index: 12.5%</li> <li>DJ US Select REIT: 25%</li> <li>DJ Brookfield Global Infra: 15%</li> </ul>	<ul style="list-style-type: none"> <li>PriMaRS Private Equity: 35%</li> <li>PriMaRS Private Credit: 25%</li> <li>PriMaRS Real Estate: 25%</li> <li>PriMaRS Real Assets: 15%</li> </ul>	<ul style="list-style-type: none"> <li>MSCI ACWI IMI: 35%</li> <li>CSFB Leveraged Loan Index: 12.5%</li> <li>ICE BaML High Yield Index: 12.5%</li> <li>DJ US Select REIT: 25%</li> <li>DJ Brookfield Global Infra: 15%</li> </ul>

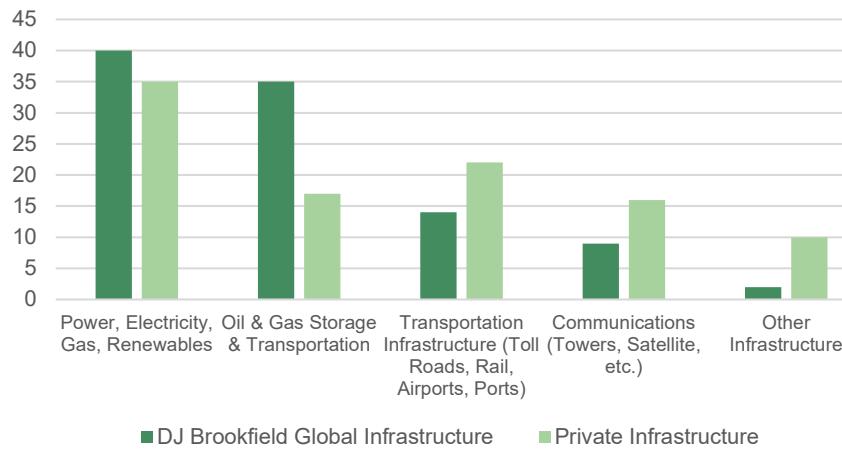
<sup>1</sup>Public Markets Equivalent (PME) is a methodology used to analyze the returns of private markets funds versus public markets. Although there are several methods for calculating the metric, the common basis of PME methodologies is to calculate an alternate internal rate of return (IRR) by applying the investment cash flows of the private equity investment to a public markets benchmark. Conceptually, the metric seeks to answer the question: “if the capital allocated to a private markets investments was instead invested in the public market, would its performance be superior, equal, or inferior?”



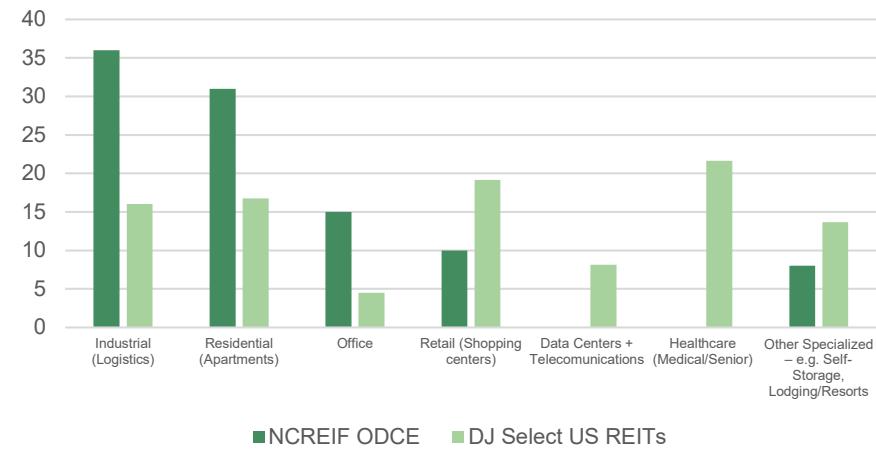
# Planning Phase

## Element 1-3: Determine benchmarks

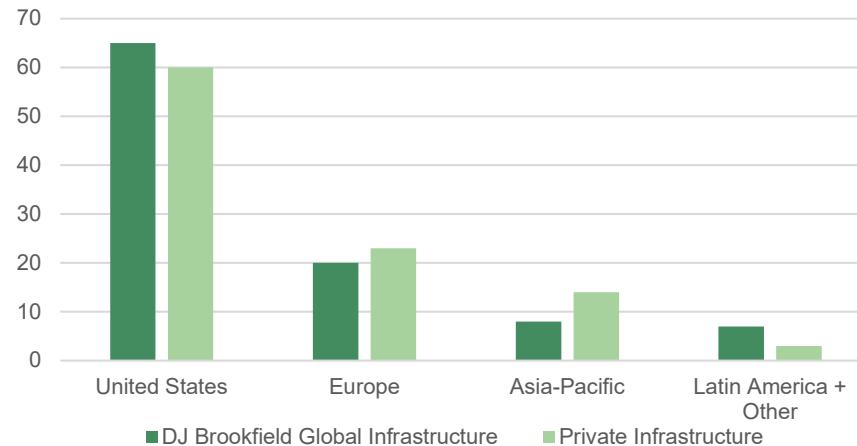
Sector Allocations - Real Assets



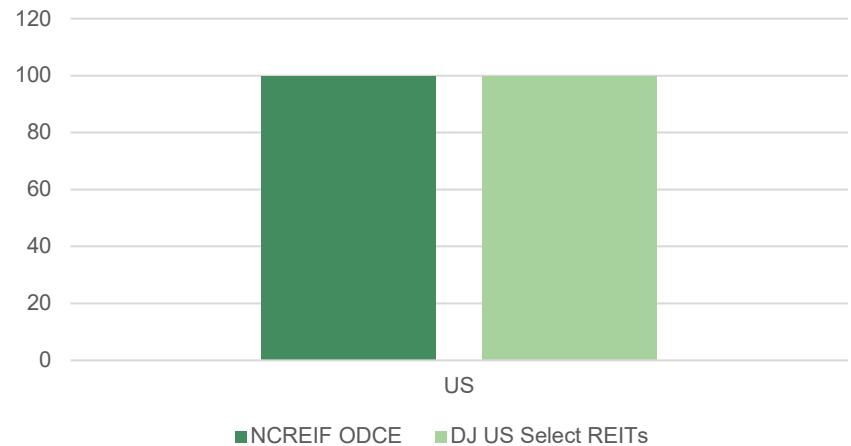
Sector Allocations - Real Estate



Regional Allocations - Real Assets



Regional Allocations - Real Estate





# Planning Phase

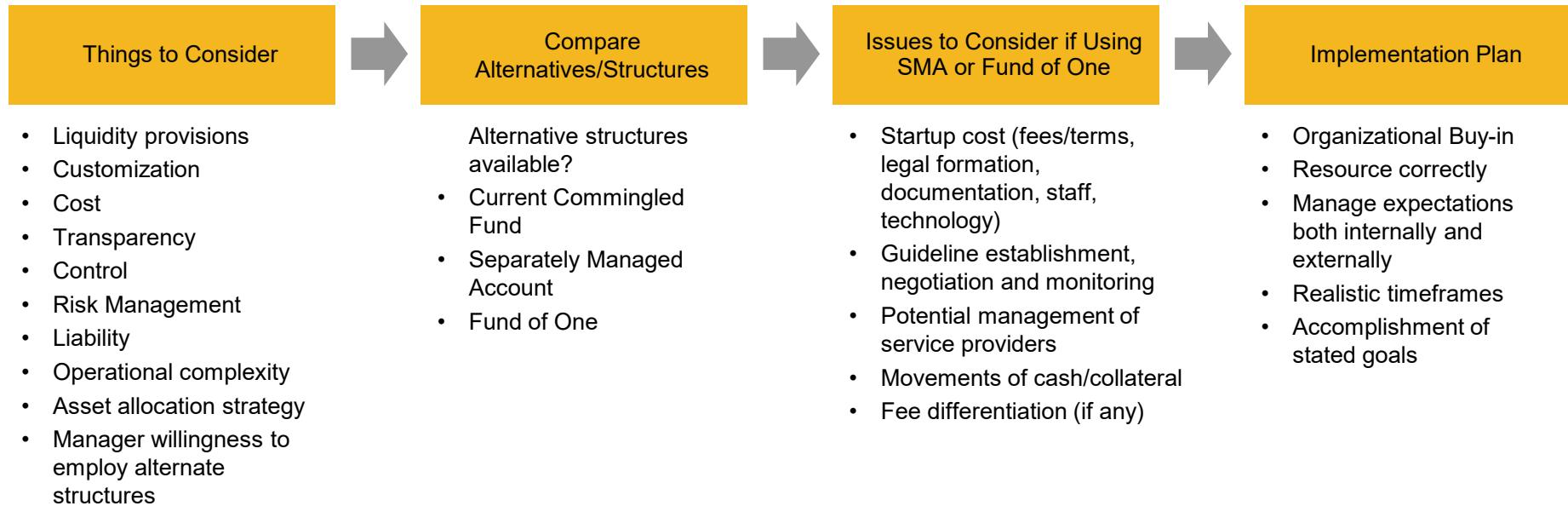
## Element 1-3: Determine benchmarks

	Relative to Public Markets Indices	Relative to Private Markets Indices	Public Markets Equivalent (PME)
<b>Private Credit – Asset Class Level</b> <i>(Mezzanine, Distressed, Lending)</i>	Total return relative to blended public markets index, TWR lagged  <b>Recommendation:</b> <b>50% Leveraged Loan / 50% High Yield</b>	Private credit peer median index, determined at fund level and aggregated into an asset class composite	PME calculated using the policy public markets index  <b>Recommendation:</b> <b>50% Leveraged Loan / 50% High Yield</b>
<b>Private Equity – Asset Class Level</b> <i>(Buyout, Growth, Venture)</i>	Total return relative to public markets index, TWR lagged  <b>Recommendation:</b> <b>MSCI ACWI IMI</b>	Private equity peer median index, determined at fund level and aggregated into an asset class composite	PME calculated using the policy public markets index  <b>Recommendation:</b> <b>MSCI ACWI IMI</b>
<b>Real Assets – Asset Class Level</b> <i>(Infrastructure, Oil/Gas, Timber, Agriculture)</i>	Total return relative to inflation and/or public markets, TWR lagged  <b>Recommendation:</b> <b>DJ Brookfield Global Infrastructure</b>	Private real assets peer median index, determined at fund level and aggregated into an asset class composite	PME calculated using the policy public markets index  <b>Recommendation:</b> <b>DJ Brookfield Global Infrastructure</b>
<b>Real Estate – Asset Class Level</b> <i>(Core, Value-Add, Opportunistic)</i>	Total return relative to public markets index, TWR lagged  <b>Recommendation:</b> <b>DJ US Select REIT</b>	Private real estate peer median index, determined at fund level and aggregated into an asset class composite	PME calculated using the policy public markets index  <b>Recommendation:</b> <b>DJ US Select REIT</b>



# Planning Phase

## Element 1-4: Assess appropriate investment vehicles for each strategy (primary, fund of funds, secondaries, etc.)





# Planning Phase

## Element 1-4: Assess appropriate investment vehicles for each strategy (primary, fund of funds, fund of one, SMA, etc.)

	Commingled Fund (Closed-Ended)	Open-Ended Fund	Fund of One	Separately Managed Account
	Traditional private markets structure with guidelines, fees, and terms set by the General Partner	Non-traditional private markets structure with guidelines, fees, and terms set by the General Partner/Manager	Investor and fund manager negotiate fees and structure, but service providers are typically determined by fund manager/General Partners	Investor determines and controls all aspects of the structure and service providers but can negotiate fees/terms with fund manager or General Partner
Terms / Fund-life	General Partner / Fund Manager (closed-end, typically 10-12 year)	Open-ended, indefinite fund life	Negotiated	Negotiated
Fees	General Partner / Fund Manager	General Partner / Fund Manager	Negotiated	Negotiated
Legal Structure & Set-Up	General Partner / Fund Manager	General Partner / Fund Manager	Negotiated	Investor
Control & Ownership	General Partner / Fund Manager	General Partner / Fund Manager	May be shared	Investor
Transparency	Manager / General Partner Defined	Manager / General Partner Defined	Negotiated	Full transparency
Investment Minimums	Lower, as defined by the General Partner / Fund Manager	Potentially lowest, as defined by the General Partner / Fund Manager	Negotiated, but higher	Negotiated, but highest
Capital Deployment	Staged of multi-year period	Immediate (or nearly immediate)	Negotiated	Negotiated
Capital Contributions	Single initial commitment	Periodic contributions	Negotiated	Negotiated
Liquidity	None (locked-up)	Periodic (potentially)	Negotiated	Negotiated



# Planning Phase

## Element 1-4: Assess appropriate investment vehicles for each strategy (primary, fund of funds, fund of one, SMA, etc.)

	Commingled Fund (Closed-Ended)	Open-Ended Fund	Fund of One	Separately Managed Account
Pros	<ul style="list-style-type: none"> <li>• Ease of execution as all legal structures, documents, and arrangements are made by the manager</li> <li>• Most common implementation for private markets</li> <li>• Established and common place guidelines and features</li> </ul>	<ul style="list-style-type: none"> <li>• Ease of execution as all legal structures, documents, and arrangements are made by the manager</li> <li>• Does not need a full underwriting to add additional capital</li> <li>• Typical has some liquidity features</li> <li>• May be able to get NAV exposure quickly</li> <li>• Allows for easier performance comparison across time</li> </ul>	<ul style="list-style-type: none"> <li>• Allows for some degree of customization</li> <li>• Manager is responsible for creating and implementing structure and set-up</li> <li>• Fund is run to parallel to manager's other structures</li> <li>• Investor has greater influence on liquidity and cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Investor has full control of the portfolio and uses their own systems, custodian, and auditor (as well as any other service providers)</li> <li>• Permits a high degree of customization</li> <li>• Allows for the negotiation of terms and fees</li> <li>• May allow for the termination and replacement of an investment manager</li> <li>• Can be integrated better into performance reporting and monitoring systems</li> </ul>
Cons	<ul style="list-style-type: none"> <li>• Limited ability to negotiate better terms (fees, liquidity, transparency)</li> <li>• Specialized terms or arrangements require side letters and additional resources for monitoring compliance</li> <li>• Requires the periodic review for investing in subsequent funds</li> <li>• Difficult to easily determine performance across vintages and across history of relationship</li> <li>• Liquidity is determined by the investments and the manager</li> </ul>	<ul style="list-style-type: none"> <li>• Limited ability to customize terms</li> <li>• Liquidity needs to be offered to all investors, which may result in less liquidity than expected</li> <li>• Typically, more expensive as NAVs need to be calculated more often to facilitate both investments and redemptions</li> <li>• May create a misalignment of interests with the manager as performance fees may be difficult to implement effectively on open-ended funds</li> </ul>	<ul style="list-style-type: none"> <li>• May have conflict in trade/position allocations between manager structures</li> <li>• Brings in an element of complexity to manager's business that requires sufficient resources and increases ODD requirements</li> <li>• Cannot replace the manager and ending the relationship takes some time to wind down</li> </ul>	<ul style="list-style-type: none"> <li>• Can be very costly to implement</li> <li>• May introduce some adverse bias into the selection process</li> <li>• May create conflicts in trade/position allocation and bring in complexity to manager's business</li> <li>• Relies on sophisticated custodial relationships</li> </ul>



# Planning Phase

## Element 1-5: Review any customization or special due diligence requirements

### Process Review (ongoing)

- Map RFI/RFP/Procurement Process
  - OakTree roadmap
- Identify where to leverage Albourne systems and technology
- Integration of Illinois legal/statutory requirements

## Element 1-6: Review process, systems and administration

### Process Review (ongoing)

- Tied to Element 5
- To be flushed out via training and case studies

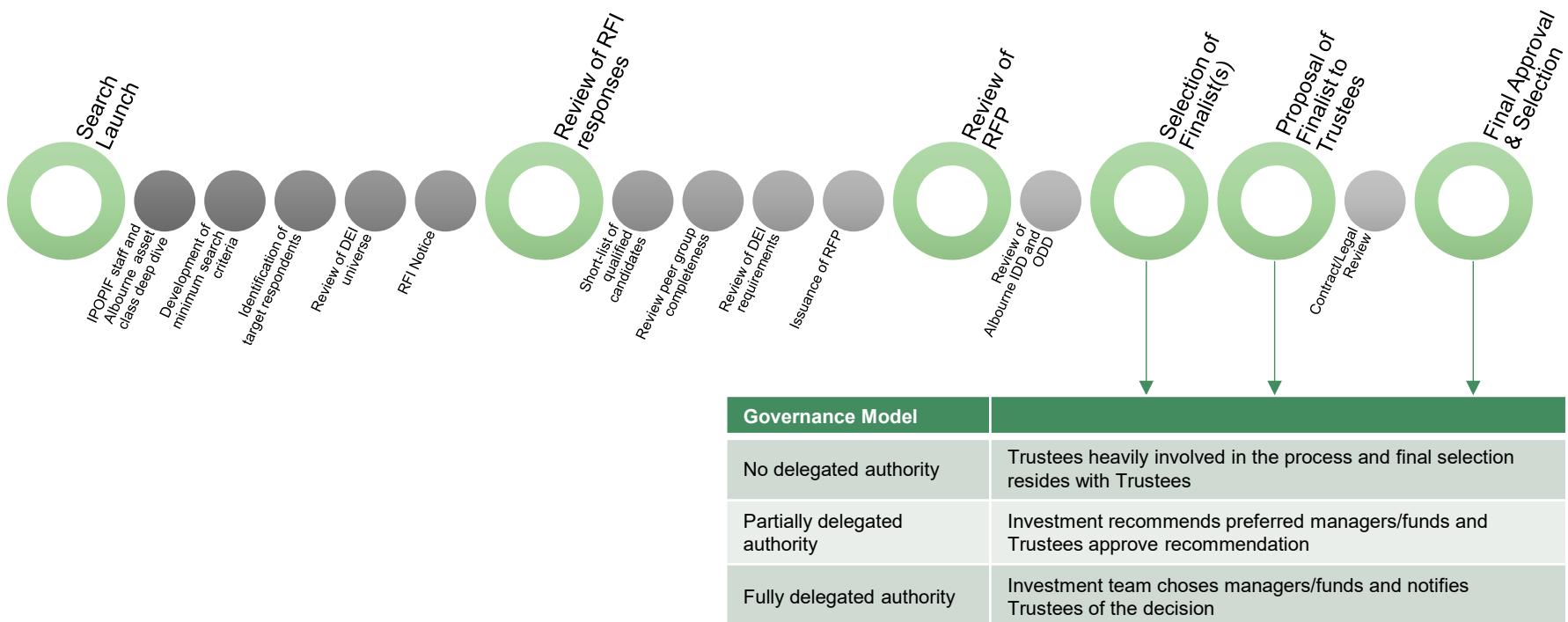


# Planning Phase

## Element 1-5: Review any customization or special due diligence requirements

## Element 1-6: Review process, systems and administration

### Flow Chart of Conceptual Process





# Planning Phase

## Element 1-5: Review any customization or special due diligence requirements

## Element 1-6: Review process, systems and administration

Governance Model	Pros	Cons
No delegated authority	<ul style="list-style-type: none"> <li>Board retains full oversight and control over investments, directly shaping every decision to align with the organization's mission and policies.</li> <li>Board members remain deeply involved and informed on all investment matters, ensuring a clear line of sight on risks and strategy (reinforcing their fiduciary duty)</li> </ul>	<ul style="list-style-type: none"> <li>All decisions funnel to the board, which can slow down responsiveness to market changes and opportunities. This heavy workload can distract the board from higher-level strategic duties.</li> <li>Board members may be voting on complex investment choices without the benefit of detailed research or specialized expertise. It relies entirely on the board's knowledge</li> <li>Highly centralized decision-making can demotivate staff or committee members.</li> <li>Delegating nothing means the board shoulders all responsibility for outcomes.</li> </ul>
Partially delegated authority	<ul style="list-style-type: none"> <li>Balanced oversight strikes a middle ground, allowing the board to set high-level strategy and policies while delegating some investment implementation to staff</li> <li>With some authority delegated, decisions can be made faster than in a fully board-controlled model</li> <li>Both board and staff have clearly defined roles, fostering collaboration and buy-in</li> <li>Some workload is eased from the board's schedule</li> </ul>	<ul style="list-style-type: none"> <li>If roles and decision boundaries are not clear, partial delegation can lead to confusion over responsibility.</li> <li>Decisions may still require multiple layers of discussion. This extra coordination can slow down decision-making compared to a fully delegated setup.</li> <li>Without clear boundaries, the board might dive into operational details while staff might overstep strategic decisions.</li> <li>A partially delegated approach, while helpful, may not address all governance needs. Some structural inefficiencies or gaps can persist; if not designed well, this model could combine the drawbacks of both extremes</li> </ul>
Fully delegated authority	<ul style="list-style-type: none"> <li>With authority fully in the hands of the investment team, decisions can be made and executed much more quickly. Investment decisions are made by dedicated professionals or a specialized delegate with deep expertise.</li> <li>Rather than micromanaging many individual decisions, the board oversees the delegate's performance at a high level.</li> <li>Placing trust in the investment staff can boost their motivation to perform</li> </ul>	<ul style="list-style-type: none"> <li>The board has little direct involvement in day-to-day investment choices, which can be uncomfortable.</li> <li>Even though the board isn't making the daily decisions, it cannot delegate away its fiduciary accountability.</li> <li>A fully delegated program often hinges on a few decision-makers</li> <li>There is a risk that the delegated team's incentives may not perfectly align with the long-term interests of the organization or its stakeholders.</li> <li>Maintaining an in-house investment office with sufficient talent can be expensive</li> </ul>



# Planning Phase

## Element 1-5: Review any customization or special due diligence requirements

## Element 1-6: Review process, systems and administration

Governance Model	Process	Observations
No delegated authority	<ul style="list-style-type: none"> <li>Manager selection resides with the Board</li> <li>Board, or a subset (eg Investment Committee) is involved in due diligence and selection of finalists</li> <li>Finalists, typically 2 or more, present to the full Board</li> <li>Board decides which options are approved</li> </ul>	<ul style="list-style-type: none"> <li>Requires a certain level of knowledge and expertise at the Board level to ensure adequate due diligence</li> <li>Board needs to be involved in the full process and may run completing due diligence process with the investment office</li> <li>Board may ultimately choose managers not the top choice of the investment office, or choose more than one manager, diluting performance and sacrificing scale</li> </ul>
Partially delegated authority	<ul style="list-style-type: none"> <li>Final approval resides with the Board</li> <li>Board may be involved in process through periodic progress reports from the investment office but due diligence responsibility resides with the staff</li> <li>Staff recommends 1 or more finalists to the Board for their approval</li> </ul>	<ul style="list-style-type: none"> <li>Board delegates responsibilities in due diligence and manager selection to the investment office</li> <li>Board is involved in the process through progress reports</li> <li>Selection is driven by staff recommendations</li> <li>Board approves staff recommendations</li> </ul>
Fully delegated authority	<ul style="list-style-type: none"> <li>Manager selection responsibility resides with the investment office</li> <li>Board is notified of new investments after execution</li> </ul>	<ul style="list-style-type: none"> <li>Board is not involved in the process and role of the Board is one of monitoring and oversight</li> <li>Investment office requires a certain degree of resourcing and size to effectively implement full investment discretion</li> </ul>

**Recommendation:** Partially delegated authority represents a good practice where the investment office, with their expertise and knowledge, are fully charged with due diligence and manager selection responsibilities, while engaging with the Board through the process. This process places ultimate responsibility on the staff for manager selection while giving the Board the opportunity review and approve the work on the investment office.



# Planning Phase

## Element 1-5: Review any customization or special due diligence requirements

## Element 1-6: Review process, systems and administration

### Potential PE search timeline

Deadline	Milestone
Week 0	RFP posted
Week 1	Deadline for RFI submission RFI's available for Board Review
Week 3	Staff and Albourne complete RFI evaluation (Capture Albourne Highest Conviction Managers)
Week 4	RFI Evaluation summary sent to Board (IPOPIF lead) Highest Caliber Candidates Invited to Submit Proposals (Target 8-10)
Week 5	Question deadline Answer deadline
Week 7	Proposal Submission Deadline (Albourne help IPOPIF process for RFP questionnaire)
Week 8	RFP Questionnaires available for Board review
Week 11	Staff and Albourne complete proposal evaluation (IPOPIF and Albourne co-lead)
Week 12	Proposal Evaluation Summary sent to Board Invite semifinalists to interview with staff and Albourne (target 4)
Week 13	Semifinalists video interviews with staff and Albourne (Dec. 16-17)
Week 15	Staff and Albourne determine recommended finalists (target 2) Board Documentation for Staff/Consultant Recommendation for Two Finalists
Board Meeting (Week 17)	Finalist(s) presentation and Board feedback
Week 17	Staff on-sites with Finalists (IPOPIF & Albourne participating)
Week 19	Staff and Albourne complete Finalist evaluations and narrow to top pick
Week 20	All documentation for Board and contract review completed
Board Meeting (Week 21)	Staff/Albourne presentation and Board selection



## Design Phase



# Design Phase

## Element 2-1: Review Allocation Matrix

### Asset Allocation Review

- Review asset classes for completeness (Elements 1-1, 1-2)
  - Propose any additional asset classes for consideration or changes in asset class structures (Element 1-11-2)
- Utilize Albourne Asset Allocation Tools
  - Objective of analysis is to determine “appropriate” level of illiquidity in the portfolio, given constraints and objectives
  - Confirm whether current allocations to private markets is prudent
- Return with any potential changes for discussion with General Consultant

	Current Allocation (% of total Portfolio)	Current Allocation (% of total Private Markets)	Recommendations (TBD)
Private Equity	7%	35%	TBD
Private Credit	5%	25%	TBD
Private Real Estate	5%	25%	TBD
Private Real Assets	3%	15%	TBD
Total Private Markets	20%	100%	TBD



# Design Phase

## Element 2-1: Review Allocation Matrix

### Private Markets Correlation

	US LBO	US Distressed	US Lending	Real Estate - Core	Real Estate - VA	Real Estate - Opp	Energy	Timberland	Agriculture	Infra	Infra - Equity	Equities Beta	Fixed Income Beta	Credit Beta
US LBO	1.00	0.82	0.78	0.33	0.43	0.61	0.41	0.31	0.43	0.66	0.69	0.74	-0.08	0.59
US Distressed	0.82	1.00	0.64	0.35	0.33	0.58	0.57	0.22	0.67	0.63	0.73	0.82	-0.08	0.87
US Lending	0.78	0.64	1.00	0.42	0.52	0.64	0.64	0.37	0.67	0.52	0.55	0.61	-0.19	0.57
Real Estate - Core	0.33	0.35	0.42	1.00	0.58	0.62	0.21	0.03	0.21	0.20	0.29	0.28	-0.12	0.35
Real Estate - Value Added	0.43	0.33	0.52	0.58	1.00	0.76	0.23	0.32	0.30	0.38	0.23	0.28	0.03	0.21
Real Estate - Opportunistic	0.61	0.58	0.64	0.62	0.76	1.00	0.32	0.36	0.54	0.56	0.53	0.51	0.04	0.50
Energy	0.41	0.57	0.64	0.21	0.23	0.32	1.00	0.02	0.30	0.35	0.46	0.34	-0.08	0.37
Timberland	0.31	0.22	0.37	0.03	0.32	0.36	0.02	1.00	0.56	0.46	0.36	0.32	0.03	0.21
Agriculture	0.43	0.67	0.67	0.21	0.30	0.54	0.30	0.56	1.00	0.81	0.68	0.48	0.02	0.52
Infrastructure	0.66	0.63	0.52	0.20	0.38	0.56	0.35	0.46	0.81	1.00	0.61	0.58	0.09	0.55
Infrastructure - Equity	0.69	0.73	0.55	0.29	0.23	0.53	0.46	0.36	0.68	0.61	1.00	0.83	0.28	0.79
Equities Beta	0.74	0.82	0.61	0.28	0.28	0.51	0.34	0.32	0.48	0.58	0.83	1.00	0.04	0.75
Fixed Income Beta	-0.08	-0.08	-0.19	-0.12	0.03	0.04	-0.08	0.03	0.02	0.09	0.28	0.04	1.00	0.08
Credit Beta	0.59	0.87	0.57	0.35	0.21	0.50	0.37	0.21	0.52	0.55	0.79	0.75	0.08	1.00



# Design Phase

**Element 2-2: Develop cash flow and investment pacing plans, to include balanced vintage year diversification**

## Cash Flow Model & Pacing Plan

- Review asset classes for completeness (Elements 1-1, 1-2)
  - Propose any additional asset classes for consideration or changes in asset class structures (Element 1-11-2)
- Complete fund specific models (in-progress)
- Confirm model assumptions with staff
- Confirm any preferences with staff
- Produce initial pacing plan for each asset class
- Compare output to current plan (if applicable)
- Tie pacing plan to Element 1-4 (selection of vehicles/implementation)

**Late 2025/Early 2026 after RE and RA review/structures/strategic**

# Design Phase



## Element 2-3: Recommend strategy mix (buyout, growth, venture capital, etc.)

### Portfolio Construction Guidelines

- Review asset classes for completeness (Elements 1-1, 1-2)
  - Propose any additional asset classes for consideration or changes in asset class structures (Element 1-11-2)
- Tied to pacing plan (Element 2-2) and Element 1-4 (selection of vehicles/implementation)
- Would reflect “steady-state” or mature program
- Helps manage diversification and not taking on unwanted exposures
- Helps prioritize manager/fund selection
- Could use broad Albourne policy guides and refine further in future



# Design Phase

## Element 2-3: Recommend PE Strategy Mix (Buy-out, Growth, Venture Capital, etc.)

### Portfolio Construction Guidelines - Considerations

By Strategy	Observed / Naïve Private Equity Allocations			Considerations
	Min Allocation	Mid Allocation	Max Allocation	
<b>Small Market Buy-Outs</b>	0	10	30	<ul style="list-style-type: none"> <li>Offers the highest potential for return, but manager selection is key as dispersion between the top and bottom quartiles is significant</li> <li>Requires and estimated 5-8 funds per vintage for proper diversification</li> <li>Typically represents the bulk of investors' private equity allocations and the largest peer subset of the private equity market</li> <li>Middle Market funds have median performance very similar to small market, with lower observed dispersion between top and bottom quartiles</li> </ul>
<b>Middle Market/Large Buy-Outs</b>	20	60	80	<ul style="list-style-type: none"> <li>Manager selection remains a significant driver to performance. Estimate that 3-5 funds per vintage are required in the middle market space for proper diversification</li> <li>Large/Mega Market funds have the lowest dispersion and diversification can be achieved with 1-2 funds per vintage</li> <li>Manager selection "alpha" is lower in the large/mega cap space</li> <li>Post-COVID, allocations to the space have growth as growth deals, which are typically minority investments, were easier to execute than full take-outs.</li> </ul>
<b>Growth (PE)</b>	0	10	20	<ul style="list-style-type: none"> <li>The strategy is also largely confined to investments in technology and healthcare.</li> <li>The strategy occupies a space between traditional buy-outs and venture capital and as such, as a higher potential volatility and correlation with public markets</li> </ul>
<b>Turnarounds/Value</b>	0	5	10	<ul style="list-style-type: none"> <li>Typically a satellite or tactical allocation, often reliant on the macro environment for the types of distressed deal flow that make the strategy relevant</li> <li>Offers the highest potential for return in private equity</li> <li>Also the longest "duration" asset in private equity, with cash flows that are very inconsistent and very often delayed compared to other strategies</li> <li>Diversification benefits are more pronounced in early stage investments, as later stage investments are influenced by public market valuations and dynamics</li> </ul>
<b>Venture Capital</b>	0	10	35	<ul style="list-style-type: none"> <li>Manager selection and manager access is a significant hurdle to building a venture capital portfolio</li> <li>Dispersion is significant between the top and bottom quartiles in venture capital, particularly in early stage funds, requiring 5-8 funds per vintage for proper diversification</li> </ul>



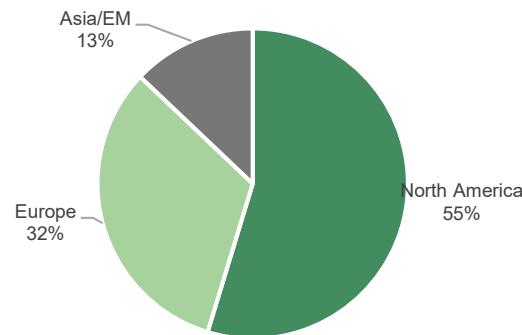
# Design Phase

## Element 2-3: Recommend PE Geographic Mix

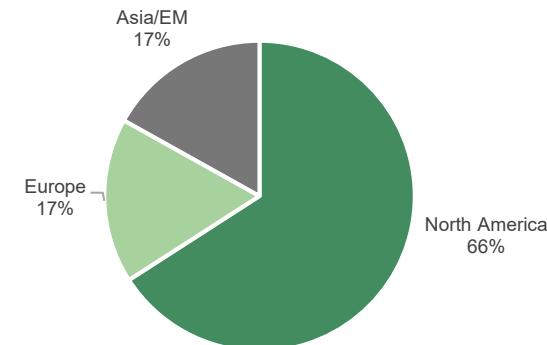
### Portfolio Construction Guidelines - Considerations

By Geography	Observed / Naïve Private Equity Allocations			Considerations
	Min Allocation	Mid Allocation	Max Allocation	
US / North America	40	70	100	<ul style="list-style-type: none"> <li>Represents the majority, in some cases the entirety, or US investors' allocation to private equity</li> <li>Represents the largest geographic allocation within the peer group and bulk of private equity deal flow</li> </ul>
Europe	5	20	30	<ul style="list-style-type: none"> <li>A significant and growing market for private equity</li> <li>Offers some diversification benefits as European deals have typically be at lower valuations with less exposure to technology and healthcare companies</li> </ul>
Asia	5	10	35	<ul style="list-style-type: none"> <li>Has highest return potential, but has historically under delivered on performance</li> <li>Significant barriers to manager selection and high dispersion within the peer groups</li> <li>Requires strong expertise in due diligence and has allocations have been often implemented by fund of funds structures</li> </ul>

PE - 5 Year Average Deal Flow (\$)



MSCI ACWI IMI





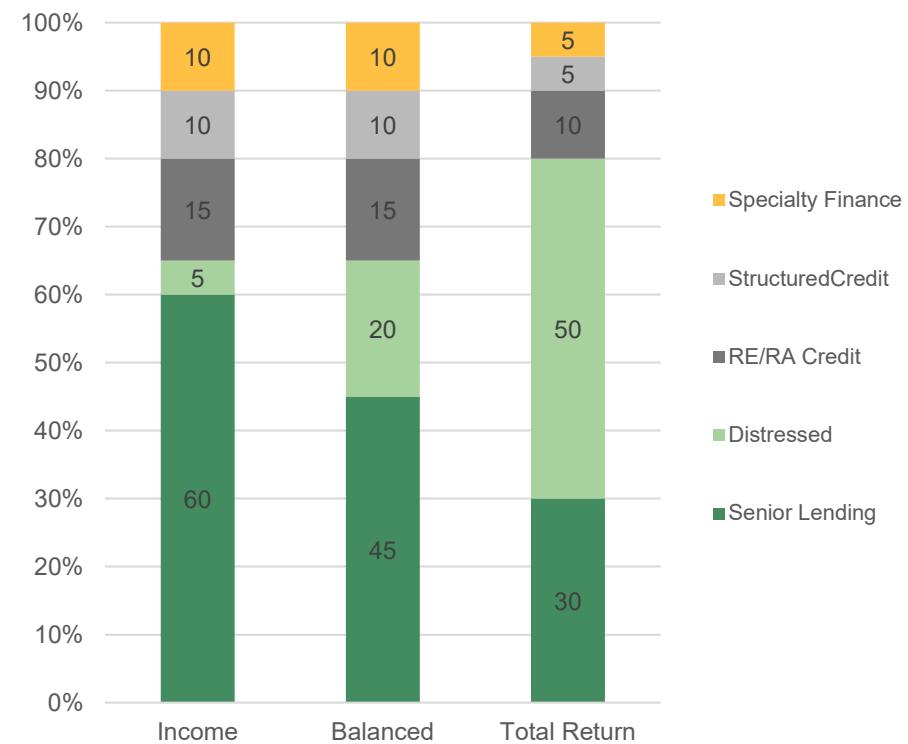
# Design Phase

## Element 2-4: Recommend Private Credit Strategy Mix

### Portfolio Construction Guidelines - Considerations

- Senior Lending
  - Anchor position in portfolios with a yield orientation or objective
  - Senior secured, floating rate, and shorter duration
- Distressed
  - Relatively small allocation in Lower Risk portfolio reflecting high correlation to Lending and Equities
  - Builds notably to higher risk portfolio due to returns
  - Difficulty in assigning strategic role given the inconsistent or lumpy return profile
- Real Asset and Real Estate Debt
  - Both provide reasonable risk/return and diversification when compared to senior lending
  - Less exposure in the total return portfolio given lower return profile
- Structured Debt and Specialty Finance
  - More idiosyncratic cashflows and returns, with diversification benefits compared to senior lending
  - Wider range of outcomes and tougher to model

Baseline Private Credit Portfolio Construction





# Design Phase

## Element 2-4: Recommend Private Credit Strategy Mix

### Portfolio Construction Guidelines - Considerations

By Asset Class	Observed / Naïve Private Credit Allocations			Considerations
	Min Allocation	Mid Allocation	Max Allocation	
Senior Direct Lending	40	60	80	<ul style="list-style-type: none"> <li>Yield-oriented asset class that typically forms the bulk of most investors' allocation</li> <li>Has limited diversification benefits against traditional equity and credit investments</li> </ul>
Specialty Finance	0	15	25	<ul style="list-style-type: none"> <li>May be a relatively large satellite allocation in credit due to the lower correlation to other credit investments and its cash flow profile</li> </ul>
Structured Credit	0	5	10	<ul style="list-style-type: none"> <li>Often a satellite allocation, if present at all. While offering a differentiated cash flow profile, the potential complexities of due diligence limits its broad appeal</li> </ul>
Real Estate Credit	0	5	10	<ul style="list-style-type: none"> <li>May be present in either a credit or real estate portfolio. Typically used for its differentiated cash flow and real property security</li> <li>May also be used opportunistically as a relative value option for real estate risk</li> </ul>
Real Asset Credit	0	5	10	<ul style="list-style-type: none"> <li>May be present in either a credit or real asset portfolio. Typically used for its differentiated cash flow and real asset security</li> <li>May have lower cash yields that limit its overall attractiveness</li> </ul>
Distressed	0	10	50	<ul style="list-style-type: none"> <li>Often a large allocation in credit portfolios</li> <li>Does not have the yield orientation as other credit sub-asset classes</li> <li>Offers a degree of diversification in credit, although with longer duration and inconsistent returns and cash flows</li> </ul>

By Geography	Observed / Naïve Private Credit Allocations			Considerations
	Min Allocation	Mid Allocation	Max Allocation	
US / North America	60	75	100	<ul style="list-style-type: none"> <li>For US investors, the majority of their credit portfolio will be geared towards the home market</li> <li>Offers limited diversification benefits, but is characterized by a deep and established market with many institutional quality firms</li> </ul>
Europe	10	15	30	<ul style="list-style-type: none"> <li>Represents most common avenue for geographic diversification for US investors</li> <li>While the market is not as deep as the US, there are some diversification benefits as European credit offers a degree of insulation from the US yield curve and inflation dynamics</li> </ul>
Asia	0	10	20	<ul style="list-style-type: none"> <li>Asian credit offers the best potential for higher returns given the fragmentation of the markets and the relatively immature nature of credit in Asia</li> <li>Unlike US and Europe, there are hurdles to implementation that require significant due diligence resources as many local firms are not as institutionally developed</li> </ul>



# Design Phase

## Element 2-5: Real Estate / Real Asset Strategic Review & Design

### Research Agenda

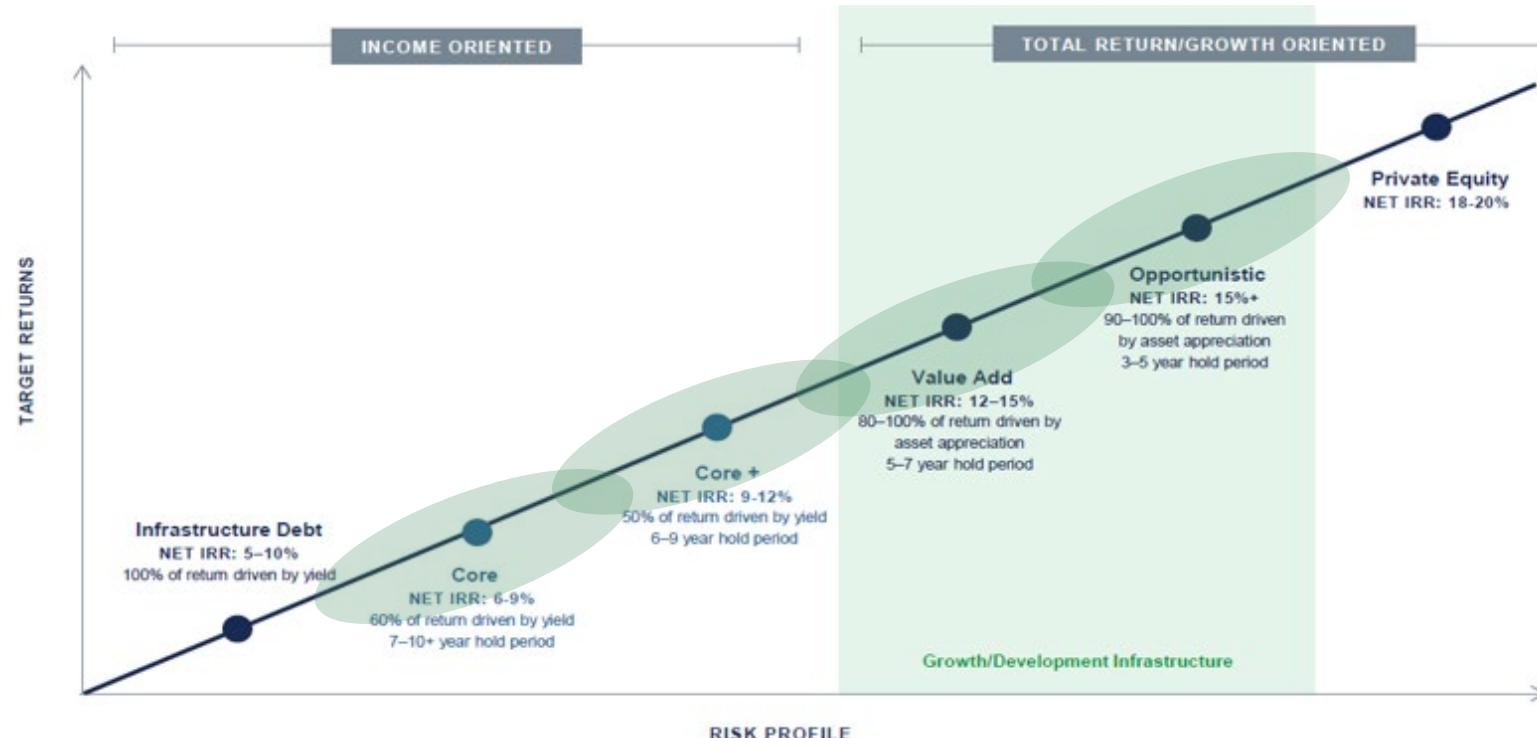
- Asset class strategic reviews, Real Estate and Real Assets, with IDD teams
  - Deep dive discussions of each asset class, features, benefits, and risk profile
  - Identify key asset class players and formation of potential pipeline
- Synthesis of asset class reviews with portfolio objectives
  - Implementation options with private and public markets options
  - Review of sub-asset classes for alignment with portfolio objectives
  - Review of available fund structures and options



# Design Phase

## Element 2-5: Recommend Real Assets Strategy Mix

Given the unique characteristics of Real Assets, risks considerations are different compared to Private Equity strategies. Specifically, for Infrastructure assets, the level of risk will depend on whether the asset is in its development (i.e. early stage of asset's life), construction or operating stage. Each stage involves the presence of different risks that need to be considered, for example in the development stage there tends to be higher risks relating to binary events, such as obtaining permitting, land rights or financing. Also, the development team's experience and asset management abilities will determine the level of execution risk. Given the higher risks, investors in development stage infrastructure or Value Add/ Opportunistic funds, will seek higher returns. Once an asset reaches a steady, operating state, the asset has largely been derisked and risk considerations are mostly operational and hence, lower returns are expected. These assets typically yield income for investments and are the target of Core Infrastructure funds.



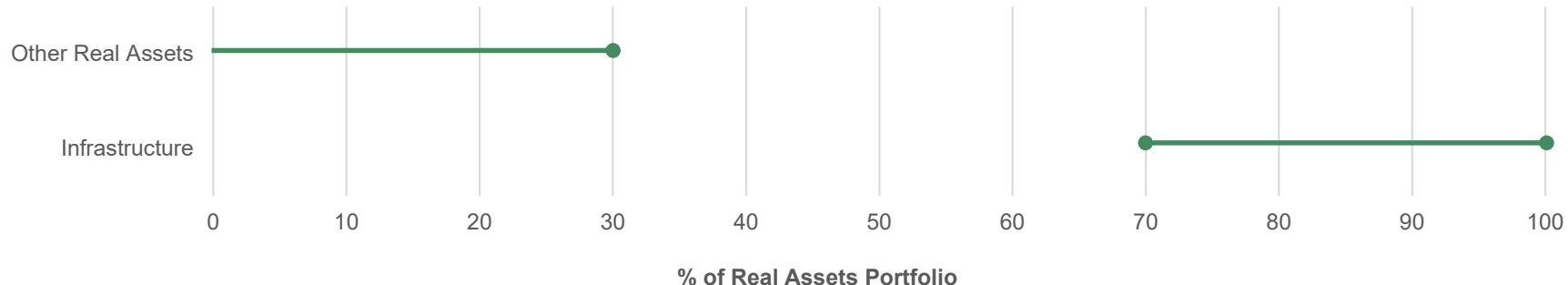
# Design Phase



## Element 2-5: Recommend Real Assets Strategy Mix

- Based on the objective of the Real Asset portfolio to primarily provide Diversification, Return Enhancement and Inflation Protection. It is recommended that IPOPIF build a portfolio, largely comprised of Infrastructure, given its superior risk-adjusted return profile relative to Other Real Assets, which have historically experienced return volatility.
- It is recommended that the portfolio be anchored by Value-Add Infrastructure due to the strategy's alignment with IPOPIF's objectives.
- Value-Add Infrastructure (*target exposure: 70-100% of RA portfolio*) seeks to capture additional upside from asset appreciation and development of infrastructure projects.
  - Strong macro tailwinds support deal flow in data centers and digital infrastructure and is expected to support this opportunity set
  - The asset class continues to evolve and broaden, with notable growth in AI-supported segments. The energy sector continues to present investment opportunities, influenced by energy price inflation and the need for energy security, including energy opportunities connected to AI initiatives.
  - With less competition for deals and more dry powder in the upper market, Albourne notes a preference for the middle market, where stronger alpha may be possible. There are attractive opportunities and potential for higher returns in the middle market, driven by less crowded investment spaces and the ability to capitalize on a niche set.
- Investments in 'Other Real Assets' (*target exposure: 0-30% of RA portfolio*), including Agriculture, Upstream Energy and Mining, will provide further Diversification and Inflation Protection to the portfolio. These opportunities should be considered for inclusion in the Real Assets portfolio.

### Portfolio Construction Allocation Ranges





# Design Phase

## Element 2-5: Recommend Real Estate Strategy Mix

Real Estate is a heterogenous asset class with different styles of investing enabling investors to build objective-oriented portfolios. Each strategy has unique risk considerations

Sub-Strategy	Description
<b>Core</b>	These investments target equity or debt investments in properties and/or entities with high quality existing assets. Assets tend to have long holding periods and stabilized occupancies, which produce consistent cash yields. Expected returns tend to have little appreciation over a market cycle. Such portfolios are well diversified, have low or no leverage. This style has the lowest risk across the private real estate style spectrum.
<b>Core-Plus</b>	These investments tend to be similar to Core in having mostly high-quality existing assets or loans on existing assets with stabilized occupancies and long holding periods, producing consistent cash yields. Expected returns also tend to have a slightly greater proportion of appreciation over a market cycle relative to that of Core though income still exceeds 50% of the returns. Such portfolios tend to be well diversified. However, maximum LTV ratios are greater at 50%. This style has slightly higher risk than Core within the private real estate style spectrum, which is usually attributed to greater leverage and slightly greater Non-Core exposure.
<b>Value-Added</b>	These investments target equity or debt investments in assets and/or entities that may be of any quality in any property type, resulting in investment in existing transitional real estate where value is typically added to the underlying assets through strategies such as capex, leasing, re-tenanting/changing the tenant mix, and operational improvements or curing sub-performing loans in the cases of debt portfolios. Expected returns are a blend of cash yields and appreciation with the portion of income tending to be approximately 40% to 60%. Leverage is moderate with a maximum 65% loan-to-value ratio. This style has moderate risk, falling between the Core-Plus and Opportunistic styles.
<b>Opportunistic</b>	These investments target equity or debt investments in assets and/or entities that may be of any quality in any property type. In many cases, assets do not have stabilized occupancies and may be completely vacant. Expected returns are high in appreciation, but low in consistent cash yields. Such investments may be less diversified and may have high leverage. Strategies include real estate development, land, change in use, recapitalizations, non-performing loans, and distress. This style has the highest risk across the real estate style spectrum.



# Design Phase

## Element 2-5: Recommend Real Estate Strategy Mix

### Core:

- Stabilized, income-generating properties in prime locations

### Core+:

- Near-stabilized properties requiring light enhancements or increased leverage

### Value-Added:

- Transitional properties in need of renovations, leading, or improvements

### Opportunistic:

- Higher-risk projects requiring significant repositioning or development





# Design Phase

## Element 2-5: Recommend Real Estate Strategy Mix

### Build a Goal-Oriented Real Estate Portfolio

Return Enhancement & Diversification

To achieve these objectives, a portfolio that favors Value Add and Opportunistic funds is desirable. To mitigate higher risks and improve diversification, funds diversified across property types is preferred.

- When added to a traditional stock and bond portfolio, real estate reduces risk and enhances return. To further reduce equity beta, it is expected that IPOPIF will focus on Private Real Estate investments.
- Core (**target exposure: 0-40% of RE portfolio**): Core investments tend to target high quality assets with stabilized occupancies, which produce consistent cash yields. While income is not the primary objective for IPOPIF, this strategy offers attractive risk-adjusted returns. Such strategies provide diversification and has the lowest risk across the private real estate style spectrum.
- Seek to add Non-Core (**target exposure: 60-100% of RE portfolio**) strategies to enhance returns and diversification of the portfolio. These investments may be of any quality in any property type, resulting in increased need for asset management and execution risks. Expected returns are a blend of cash yields and appreciation with the portion of income tending to be approximately 40% to 60%. Manager selection plays a key role in portfolio construction.

### Portfolio Construction Allocation Ranges





## Investment Phase



# Investment Phase

## Forward Calendar – 2025/2026

	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Private Equity	Search Initiated	RFP Process	Investment Selection	Execution		
Real Assets		Asset Class Strategic Review	Search Initiated			
Real Estate		Asset Class Strategic Review		Search Initiated		
Private Credit					Search Initiated	

# Investment Phase

## Private Equity (7%)



	Foundational Phase	Build-Out Phase	Steady State
Objective	Asset Class Anchors	Enhance Diversification Build NAV Exposure	Build NAV Exposure Fill Portfolio Gaps
Implementation	Significant Reliance on Secondary Funds PE Strategic Relationship (1)	Significant Reliance on Secondary Funds PE Strategic Relationship (2)	Direct Funds PE Strategic Partner #3 Re-Ups / Additional Capital to Strategic Relationships
Timeline	Year 0 – 1	Years 2 - 3	Future Years
Pacing (\$)	\$200m (tentative)	TBD	TBD
Target NAV (\$)	TBD	TBD	TBD
Number of Commitments	1-2 commitments	2 commitments	0-2 per annum
Implementation	Strategic Platform Relationship	Strategic Platform Relationship	Strategic Platform Relationship

**\*Pacing Plan to be fully determined by end of year**



# Investment Phase

## Private Credit (5%)

	Foundational Phase	Build-Out Phase	Steady State
Objective	Asset Class Anchor	Enhance Diversification – Core/Satellite	Enhance Diversification – Direct
Implementation	Evergreen Solution	Evergreen Solution Direct Funds	Evergreen Solution Direct Funds
Timeline	Completed	Years 1 – 3	Future Years
Pacing (\$)	~350m	\$100m (tentative)	TBD
Target NAV (\$)	TBD	TBD	TBD
Number of Commitments	1 initial commitment	1 - 2 total	0 - 1 per annum
Implementation	Oaktree SMA	Traditional Senior Lending (OE) Asset Based Lending SMA	Opportunistic Credit Fund

**\*Pacing Plan to be fully determined by end of year**



# Investment Phase

## Real Estate (5%)

	Foundational Phase	Build-Out Phase	Steady State
Objective	Anchor Asset Class	Expand Real Estate Diversification	Achieve Target Asset Allocation
Implementation	REITs and Open-Ended Private Funds	Open-Ended Funds Opportunistic Funds	Re-Up / Additional Commitments to Current Funds
Timeline	Year 1	Year 2 - 3	Year 4 - 5
Pacing (\$)	TBD	TBD	TBD
Target NAV (\$)	TBD	TBD	TBD
Number of Commitments	0 - 1	0 - 2 per annum	0 - 2 per annum
Implementation	Review Current Investments Strategic Platform Relationship	Strategic Platform Relationship	TBD

**\*Pacing Plan to be fully determined by end of year**

**\*Asset Class structure to be determined after completing strategic review by end of year**



# Investment Phase

## Real Assets (3%)

	Foundational Phase	Build-Out Phase	Steady State
Objective	Establish a Program	Expand Diversification	Rebalancing
Implementation	Open-Ended Fund(s)	Open-Ended/Close-Ended Fund(s)	
Timeline	0 – 1 years	2 – 3 years	Year 4 + 5
Pacing (\$)	TBD	TDB	TDB
Target NAV (\$)	TBD	TBD	TBD
Number of Commitments	1-2	0-1	0-1
Implementation	Strategic Platform Relationship	Strategic Platform Relationship	Strategic Platform Relationship

**\*Pacing Plan to be fully determined by end of year**

**\*Asset Class structure to be determined after completing strategic review by end of year**



# Appendix

# Private Equity – Buyout & Growth Equity

## Strategy Characteristics



- Description:**
  - Buy-out typically targets large mature companies
  - Growth Equity typically involves making minority equity investments in mature businesses seeking growth capital
  - Turnaround strategies would focus on companies experiencing difficulties
- Buy-out is by far the largest component of the Private Equity market comprising an estimated 70% of the total PE Universe, with Growth comprising around another 15%.
- Position within a portfolio: Traditional Private Equity should offer a premium to public equity, and some diversification benefits through investments in a different universe of companies to public equity. There is however exposure to common market factors
- Av. annualized Returns in various economic states: 6% - 28% (see chart right)
- Average time to positive J-curve: 8.5 years

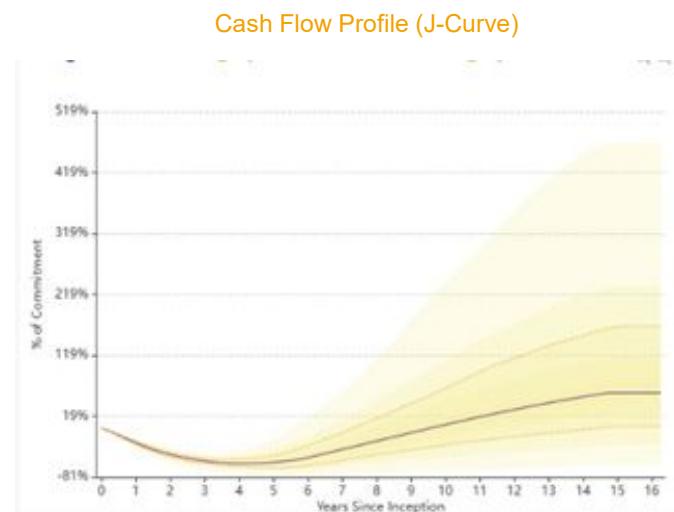
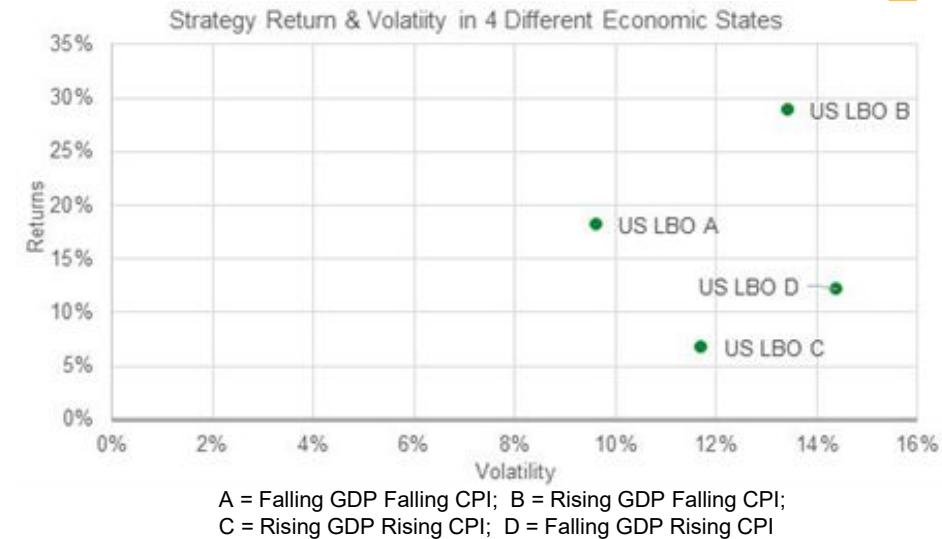
### Key Considerations

Returns have been attractive relative to public markets

Manager skill can derive a substantial premium to PE market average

This is an Illiquid asset class, and liquidity and return profiles vary by vintage (see chart on the right)

Investors are exposed to leverage / HY cycles and tend to perform well in periods of low interest rates and strong corporate balance sheets



# Private Equity – Buyout & Growth Equity

## Strategy Characteristics



Management Buy-out (MBO)	<ul style="list-style-type: none"> <li>• Acquiring an established company in partnership with its incumbent management team. The PE fund will normally but not always have control.</li> <li>• Target companies are usually well established, profitable with strong and stable cash flows. They generally do not require additional injections of capital.</li> </ul>
Management Buy-in	<ul style="list-style-type: none"> <li>• Acquiring an established company in partnership with a new management team;</li> <li>• Higher risk than MBO</li> </ul>
Buy and build	<ul style="list-style-type: none"> <li>• Using a buy-out as a basis for further bolt-on acquisitions leading towards industry consolidation;</li> <li>• Target companies usually constitute established and profitable companies in a relatively fragmented industry;</li> <li>• Key objectives include building larger and more profitable companies which can command higher exit valuations (higher exit multiples) based on size and profitability.</li> </ul>
Leveraged Buy-out	<ul style="list-style-type: none"> <li>• Acquiring an established company with debt as major source of financing</li> <li>• Target companies generate strong cash flows, and have high, stable and predictive performance but do not have very high growth rates</li> <li>• Goal is to generate equity value through paying down debt using the company's own cash flows and to improving operating metrics to increase the company's enterprise value.</li> </ul>

# Venture Capital

## Strategy Characteristics



- Description:**
  - Venture Capital involves making equity investments in early stage businesses with little proven track record in profitability, and sometimes, revenue generation.
  - Highly risky at an individual level and achieving diversification is a key component of a successful programme.
- Venture capital has grown as a proportion of the investment universe, and represents around 15% of PE activity.
- Position within a portfolio: Diversification benefits within a Buy-out dominated private equity portfolio. VC offers equivalent average returns to Buy-out with greater upside potential, but has higher volatility and greater dispersion of returns.
- Av. annualized Returns in various economic states: - 0.6% to 36% (see chart right)
- Average time to positive J-curve: 11.75 years

### Key Considerations

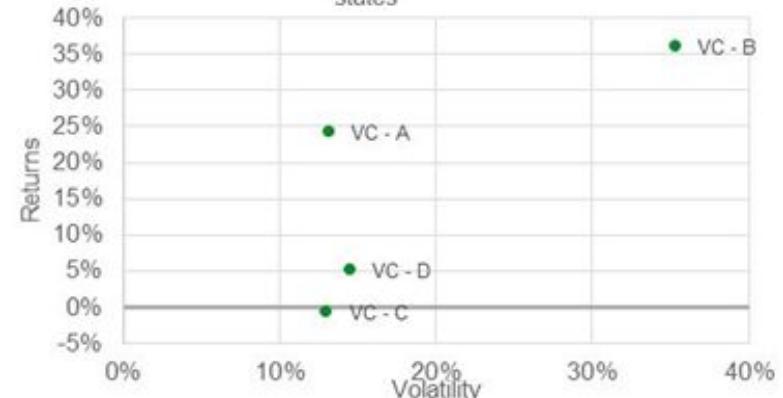
Highest quality managers may be difficult / impossible to access directly

Greater volatility and dispersion emphasizes the significant role of manager selection in this strategy

Underlying strategy has more binary pay-off profile on individual deals. Diversification at company level & across vintage years is especially important

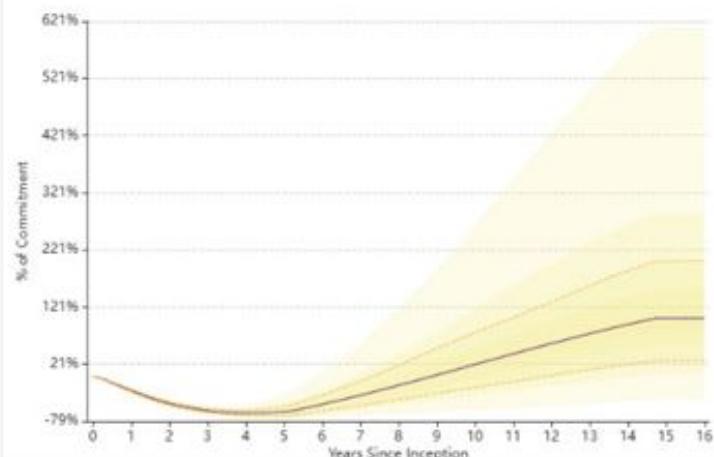
Venture Capital Portfolios are less liquid than buy-out portfolios as early stage companies take longer to be cash generative, and longer to exit

Strategy Return & Volatility in 4 different economic states



A = Falling GDP Falling CPI; B = Rising GDP Falling CPI;  
C = Rising GDP Rising CPI; D = Falling GDP Rising CPI

Cash Flow Profile (J-Curve)



## Venture Capital

### Strategy Characteristics



Seed Stage	<ul style="list-style-type: none"> <li>• Funding to develop, refine and market-test IP prototypes or concepts;</li> <li>• Company is usually not in operation and without a business plan or commitment to a specific route to commercial exploitation</li> <li>• Key objectives in this round include testing the viability of the product/service and the business model and to build the management team</li> </ul>
Start-up Stage	<ul style="list-style-type: none"> <li>• Funding to establish a viable business, with early revenues, customers and a clear route to profitability</li> <li>• Company is commercially focused with a solid business plan. Management team is also generally in place</li> <li>• Key objectives are to establish a sustainable market presence and drive towards revenue</li> </ul>
Early-Stage	<ul style="list-style-type: none"> <li>• Funding to accelerate the pace of a start-up, which is not profitable, but can demonstrate the commercial viability of products or services</li> <li>• Key objective would be to develop a strong platform for growth and establish market share</li> </ul>
Later-Stage / Growth Equity	<ul style="list-style-type: none"> <li>• Funding to invest in the growth of a company after it has achieved revenues and profitability</li> <li>• Additional equity may be required to drive growth</li> </ul>

# Secondaries

## Strategy Characteristics



- **Description:**
  - Secondary Private Equity Transactions involve the buying and selling of existing portfolios of Private companies (Direct) or Private Equity Fund Interests (LP Secondaries).
- **Size and composition:** Secondaries transactions have grown substantially over the past 10 years with total annual transaction volume at around \$35 -40bn annually.
- **Position within a portfolio:** Many investors have begun to use Secondaries as a way to be more “active” in their PE allocations, both buying and selling in the market place. In addition, Secondaries can be a way to ensure diversified exposure across vintages, sectors, and strategies (see chart left), and offer greater liquidity than other strategies.
- **Av. annualized Returns in various economic states:** 7.42% to 26.63%
- **Average time to positive J-curve:** 8 years

### Key Considerations

Greater diversification: Investors buy into an established pool of Private Equity interests with reduced “blind pool” risk

Shorter J-curve

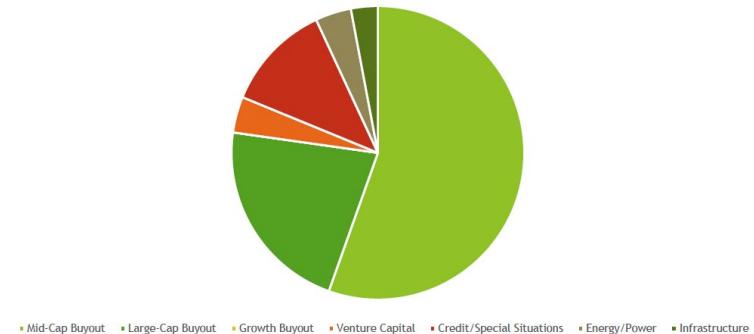
Comparable IRR's to Primary Fund investing

Whilst IRR's are equivalent, multiples, are lower

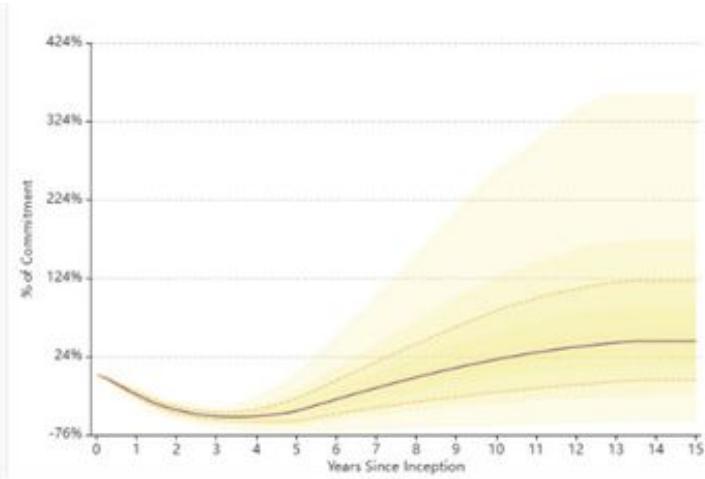
Usually two layers of fees – underlying GP and Secondaries Manager

Less dispersion between Top Quartile and Bottom Quartile managers

### Secondary Funds: Diversification (Strategy)



Cash Flow Profile (J-Curve)



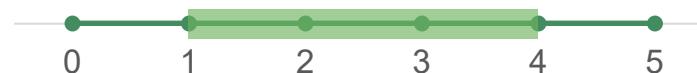


## Private Lending

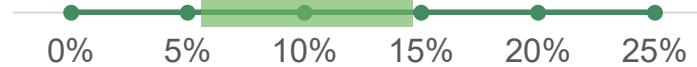
### Strategy Characteristics

<b>Borrower</b>	70-90%+ are middle and large market cap sponsor-backed corporations or real estate projects; the balance are non-sponsored. Loans are issued bilaterally, as club deals, or syndications
<b>Leverage</b>	Corporate Leverage: 4-7x Debt/EBITDA
<b>Protection</b>	1st lien secured to unsecured with incurrence-based covenants
<b>Return Drivers</b>	Amount of dry powder, leveraged loans and high yield markets, LBO dry powder & M&A activity, competition from banks, credit spreads

#### Typical Duration of Investment (Years)



#### Targeted Net Returns (%)



#### Typical Fees



**Management Fee:**  
0.85%-1.5%

**Carry:**  
10%-20%

#### Investment Structure \*

	Open Ended	Closed Ended
Commingled		
Managed		

\* Represents the typical distribution of Investment Structures utilized



## Distressed

### Strategy Characteristics

<b>Borrower</b>	Mid to large cap corporations, typically stressed or distressed, and traded on secondary market
<b>Leverage</b>	4-10x EV/EBITDA company creation (the entry value of the company is contingent on the discount to par value of the debt)
<b>Protection</b>	For Control, usually the fulcrum security with equity value as cushion; Non-Control often target senior and secured debt
<b>Return Drivers</b>	Dislocations in markets, cyclical sectors (i.e., Oil & Gas, shipping), and stressed sellers (i.e., bank regulatory requirements) create opportunities

#### Typical Duration of Investment (Years)



#### Targeted Net Returns (%)



#### Typical Fees



**Management Fee:**  
1.25%-1.75%

**Carry:**  
20%

#### Investment Structure \*

	Open Ended	Closed Ended
Commingled	<input type="radio"/>	<input checked="" type="radio"/>
Managed	<input checked="" type="radio"/>	<input type="radio"/>

\* Represents the typical distribution of Investment Structures utilized

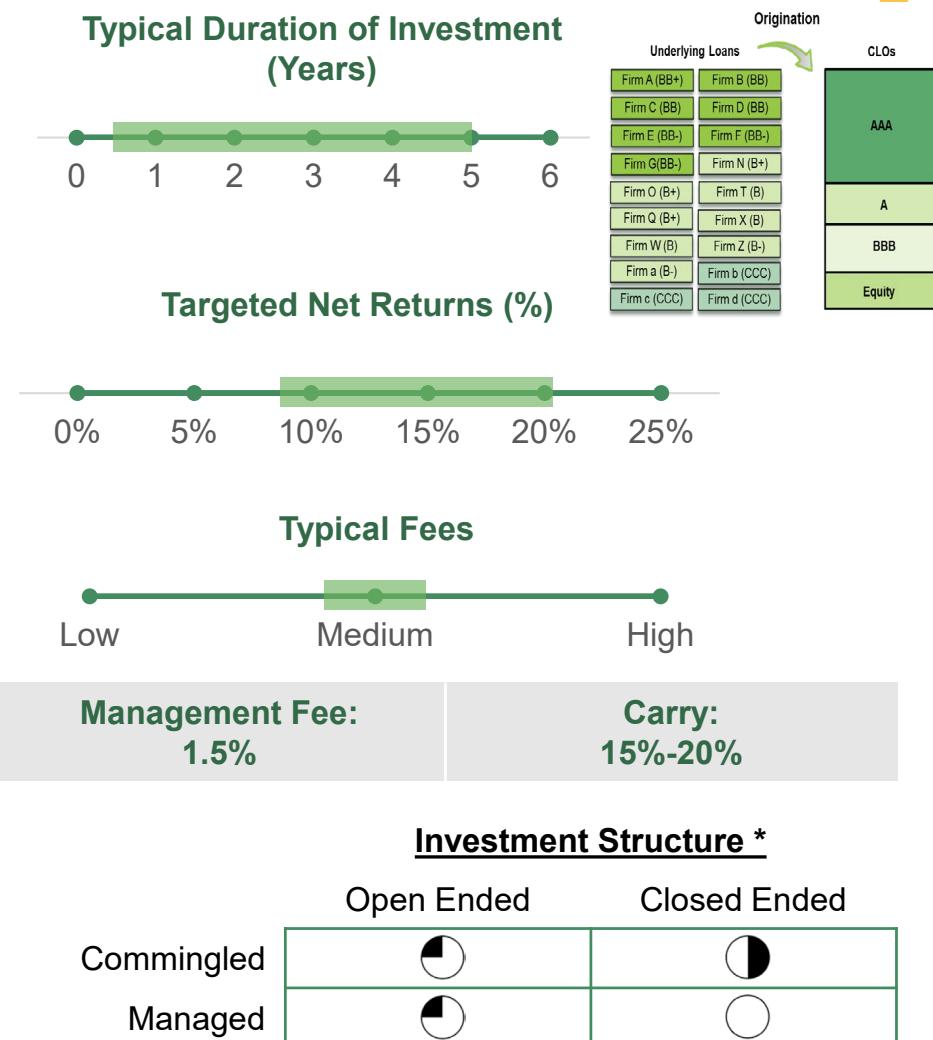


## Structured Product

### Strategy Characteristics

<b>Borrower</b>	Trusts with loans backed by residential and commercial real estate and other assets and credit of consumers, SMEs*, and large corporates. Bilateral synthetic trades with banks' loan portfolio as reference assets
<b>Leverage</b>	Corporate Leverage: 4-7x Debt/EBITDA Asset-level leverage: 60-80%
<b>Protection</b>	At the collateral level, Loan to Value cushion for asset-backed and equity cushion for corporates; consumer assets are unsecured. At the trust level, credit enhancement for mezzanine and senior tranches
<b>Return Drivers</b>	Cash flows from loans, active collateral management, events such as refinancing and restructuring, and recovery in case of distressed credit. Premiums received for writing protection on pool of assets

\* Small & Medium Sized Enterprises



\* Represents the typical distribution of Investment Structures utilized



## Real Asset & Esoteric Credit

### Strategy Characteristics

<b>Borrower</b>	Project finance loans to infrastructure projects or corporate loans to infrastructure companies. Aviation finance typically approached as a sale-leaseback strategy with carrier. Mine finance loans to public junior mining companies
<b>Leverage</b>	Up to 85% Loan to Value on core operating infrastructure with locked in cash flows. Depending on the stage of development, loans to mining companies may equate to 20-75% Loan to Value
<b>Protection</b>	1st or 2nd lien, typically with strong investor protections including cash flow covenants, restrictions on business activities, contractor controls. Aviation follows a typical lease arrangement
<b>Return Drivers</b>	Banks and insurance companies retrenching from the sub-investment grade infrastructure lending space, also complexity and illiquidity premium. In the case of Aviation, attractive financing strategy for carriers

### Typical Duration of Investment (Years)



### Targeted Net Returns (%)



### Typical Fees



Management Fee:	Carry:
Infra: 75 bps-1.25%	Infra: 10%-15%
Aviation: 2%	Aviation: 20%
Mining: 1.5%-2%	Mining: 17.5%-20%

### Investment Structure \*

	Open Ended	Closed Ended
Commingled	<input type="radio"/>	<input checked="" type="radio"/>
Managed	<input type="radio"/>	<input type="radio"/>

\* Represents the typical distribution of Investment Structures utilized



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# Illinois Police Officers' Pension Investment Fund

# Adoption of **Investment Policy Statement (IPS)**

February 6, 2026

- By policy, the IPOPIF IPS shall be reviewed and adopted during the first calendar quarter of each year.
- Proposed revisions are summarized in the attached memo and detailed in a draft mark-up, which is also attached.
- Additional IPS issues are identified for further evaluation.
- Adoption of asset allocation policies and investment policies require a vote of at least 6 trustees (40 ILCS 5/22B-117 c).



## **MEMORANDUM**

**DATE:** January 7, 2026  
**TO:** IPOPIF Board of Trustees  
**FROM:** Kent Custer, Chief Investment Officer  
**SUBJECT:** Investment Policy Statement Review and Adoption

---

### **Recommendation**

That the Board of Trustees adopt the Statement of Investment Policy with proposed revisions as attached or modified by the Board. In accordance with the Illinois Pension Code the adoption of asset allocation policies and investment policies require a vote of at least 6 trustees (40 ILCS 5/22B-117 c).

### **Summary**

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 have identified potential revisions for consideration and adoption immediately. An annotated draft is attached for reference and additional perspective is provided below. Additional items are identified for further review.

### **Proposed Changes**

1. Grammatical changes are proposed for consistency or clarity.
2. Changes are proposed to Investment Philosophy Risk Consideration language to promote clarity.
3. Language added to specify responsibilities of the General Consultant and the Private Markets Consultant. References to the Investment Consultant have been changed to the plural or clarified where needed.
4. The "Real Asset" functional asset category has been renamed "Real Return" to align with Albourne recommendation to separate Real Assets from Real Estate.
5. Added language under Investment Manager Selection for consistency with respect to Pension Code requirements.
6. Refined asset class descriptions in Appendix A1 to incorporate recommendations from Albourne, including adding expectations for a return premium for private market investments.
7. The Appendix A2 asset allocation table and Appendix A3 performance benchmarks are revised to move 3% interim allocation from High Yield to Private Credit to reflect full funding of the Oaktree private credit mandate.
8. Appendix A3 Policy Benchmark for Bank Loans renamed from Credit Suisse Leveraged Loan index to S&P UBS Leveraged Loan index to reflect index rebranding associated with the UBS acquisition of Credit Suisse and a collaboration with S&P Dow Jones.

## **Issues Under Consideration**

Following completion of the General Consultant search, staff intend to collaborate with the go-forward consultant on a comprehensive asset allocation study and further review of the IPS.

Potential asset allocation and IPS topics for review are summarized below. The Board may provide additional guidance.

- Review Section VI.B, Manager Monitoring and Evaluation, for streamlining and alignment with current and best practices for public and private market investments. IPOPIF provisions appear overly specific in comparison to other plans.
- Conduct Asset Allocation Study to confirm or improve expected outcomes considering the current investment landscape and the latest capital market assumptions.
- Address the following topics and identify changes that could improve expected performance.
  - Should the remaining 2% passive allocation to US small cap be redeployed to another asset class?
    - Consider moving remaining long-term 1% passive SSgA High Yield Bond allocation to increase the Ares Bank loan strategy allocation from 1% to 2%, creating an equal weight with Ares and Aristotle Bank Loans and MetLife High Yield.
    - Consider increasing the Cap Group EMD mandate and reducing or eliminating the SSGA passive EMD exposure.
  - Consider long-term alternatives for core real estate, including passive and active REITs and private core real estate.
  - Evaluate the allocation and structure of the Risk Mitigation asset classes.
    - Should the structure be consolidated and simplified?
    - Are there attractive fixed income sectors we are missing?
    - What are the risks of US Government budget deficits on expected asset class returns and what potential asset allocation adjustments should be considered?
    - What is current exposure and current trend of US Government Debt in the core bond index?
    - Does turnover and turmoil at the US Bureau of Labor Statistics impact the expected return and risk of Treasury Inflation Protection Securities (TIPS)?
  - Update risk analysis of excluding China from dedicated Emerging Market Equity allocations.
- Consider Verus recommendations regarding provisions for opportunistic investing.

## **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

**Appendix B4 – BUSINESSES DIVERSITY POLICY**

**Appendix B5 – ECONOMIC OPPORTUNITY**

**Appendix B6 – SUSTAINABLE INVESTING**

Following is a summary of Emerging and MWDBE manager utilization. Staff and Verus have followed all legal and policy requirements to identify and consider Emerging and MWDBE managers in all searches.

**IPOPIF Emerging and MWDBE manager exposure**

- IPOPIF has no exposure to emerging managers (<\$10B AUM) vs. 20% target detailed across asset classes and MWDBE categories.
- IPOPIF has 28% AUM exposure to RhumbLine, which is a Woman-owned firm, through U.S. Large Cap and U.S. Small Cap.
- IPOPIF has 3% AUM exposure to ARGA, which is a Minority (Asian American) owned firm.



# Illinois Police Officers' Pension Investment Fund

***DRAFT***

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### INVESTMENT POLICY STATEMENT

Policy Number: PP-2021-08

Adopted December 17, 2021

Last Revised: March 14, 2025 [Date]

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## **I. BACKGROUND AND PURPOSE**

The Illinois Police Officers' Pension Investment Fund ("IPOPPIF" 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 IPOPPIF 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 variability of investment returns.
  - b. Portfolio diversification across different asset classes, regions and investment risk factors (e.g., equity, rates, credit) reduces risk and increases risk-adjusted returns

over the long-term.

- c. Leverage can be an effective tool to enhance diversification and ~~control risk-manage risk but should not be used to increase the overall risk of the Fund.~~
- 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, IPOPPIF will accept a prudent level of risk in pursuit of its enterprise objectives.

4. **Liquidity**~~Illiquidity~~ 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 RESPONSIBILITY**

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.

## **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.
5. Approving the selection and termination of investment service providers.
6. Monitoring and evaluating the investment performance of the Fund and ensuring the risk profile is consistent with Policy objectives.
7. Monitoring and evaluating investment expenses.
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 ConsultantConsultants, 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 an asset allocation that prudently diversifies investment risk and maximizes expected return consistent with the investment objectives established by the Board.
2. Recommending an investment policy.
3. Recommending the search, selection, and termination of investment service providers needed to implement the investment program.
4. Monitoring and evaluating the investment performance of the Fund and ensuring the risk profile is consistent with Policy objectives.
5. Monitoring and evaluating investment expenses.
6. Monitoring and evaluating investment service providers.
7. Developing proposals to enhance the investment program.
8. Ensuring the Fund has adequate liquidity to meet cash flow needs and coordinating the

investment of cash contributions and distributions.

9. Monitoring investment allocation and coordinating rebalancing in accordance with the Policy.
10. Reporting to the Board at least quarterly regarding investment activity and performance.
11. Managing the IPOPPIF investment staff.

#### **D. INVESTMENT ~~CONSULTANT~~CONSULTANTS**

~~The Investment Consultant is a fiduciary to the Fund and provides~~  
~~The Board may retain one or more person or entity to make recommendations in developing an investment strategy, assist with finding appropriate investment advisers/managers, and monitoring the Fund's investments~~  
~~("Investment Consultant"). The General Investment Consultant will be responsible for public market investments, asset allocation, and reporting for the total fund. The Private Markets Investment Consultant will be responsible for private markets investments. The Board may retain an additional Specialty Investment Consultant(s) that specialize in specific asset class(es) and are responsible for those investments. All Investment Consultants are fiduciaries to the Fund and provide~~  
~~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~~Consultants ~~will work closely with the CIO but is~~ ~~are~~ required to provide an independent perspective to the Board. ~~Specific~~ Responsibilities of the Investment ConsultantConsultants 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 investment risk and return across the portfolio. In conjunction with these reports, the Investment ConsultantConsultants 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 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.
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.
11. Immediate communication with the CIO regarding any concerns or issues with respect to services provided by the Custodian.
12. Support for annual and regulatory reporting, including working with IPOPIF auditors.
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) Each Investment Manager 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 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, 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.

## **V. INVESTMENT STRUCTURE**

### **A. ASSET CATEGORIES AND CLASSES**

IPOPIF investments shall be prudently diversified to optimize expected risk and return. Assets can generally be categorized into four functional categories of Growth, Income, Real ~~AssetsReturn~~, 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 General 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.
6. When asset allocations exceed the prescribed limits, or when deemed prudent by the CIO,

with the advice of the General 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 General 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 the primary objective of reducing unnecessary ~~costs~~ 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 General Investment 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.

## **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 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, 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. Appendix B1, MWDBE Investment Manager Utilization Policy, establishes the utilization goals for Emerging Managers and MWDBE Managers in accordance with 40 ILCS 5/1-109.1.

2.3. Appendix B5, Economic Opportunity, establishes that 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. Organizational changes, including but not limited to such as 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 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.
4. The Investment Consultant and Investment Staff shall identify Investment Managers of concern, provide an analysis of material issues, and recommend appropriate action to the Board. Based on the analysis and recommendation provided by the Investment Consultant and Investment Staff, the Board will evaluate the Investment Manager and take action, if deemed appropriate by the Board.

## **VII. PROXY VOTING POLICY**

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 General 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. In accordance with 40 ILCS 5/1-113.6 and 40 ILCS 5/1-113.17, a copy of this Investment Policy shall be filed with the Illinois Department of Insurance within thirty (30) days from the date of adoption.

October 14, 2022 – reviewed and adopted

February 2, 2023 – reviewed and adopted

April 14, 2023 – updated short-term asset allocation

February 9, 2024 – reviewed and adopted

March 8, 2024 – updated asset allocation

April 12, 2024 - updated asset allocation

March 14, 2025 – reviewed and adopted

[date] – reviewed and adopted

### 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 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 (or Domestic Equity)** represents publicly traded stock holdings of companies located in the United States.
  - b. **Non-US Equity (or International 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 in a single strategy.
  - 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 outperform public equity-market equivalents by 2% to 4% in the long-run, with higher fees and investment risk. Illiquidity is a key risk due to contractual commitments to fund capital on demand and term 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~~return of capital.
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~~may be 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
  - 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.
  - d. **Private Debt**Credit refers to non-bank ~~direct~~lending arrangements. ~~Features to private corporations. Borrowers are similar to bank loans with somewhat higher fees, credit risk, often small and yields~~medium-sized companies without investment-grade credit ratings. Investments are typically structured in a private market vehicle with limited liquidity. ~~Loans are typically secured with floating interest rates with relatively higher coupons to compensate for credit risk and illiquidity. Private Credit is expected to outperform public-market equivalents by 1% to 2% in the long run.~~

## C. Real Return Assets

1. Role: Growth, ~~current income, inflation protection, diversification~~Diversification.

Inflation Protection, and Income

2. Investment Approach: Ownership in physical assets
3. Risk Factors: Similar to income assets, real return assets are susceptible to interest rate risk. Real Return 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). 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.~~
  - d. ~~Natural Resources broadly refers to anything mined or collected in raw form but may include assets subject to further processing. Typical assets include oil and gas, mining, agriculture, and timber.~~

**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 but lower long-term returns.
  - b. **Short Term Investment Grade Bonds** have moderate credit and 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 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.
- d. **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.

### Appendix A2 – ASSET ALLOCATION

The IPOPPIF has adopted interim and long-term asset allocation targets. Interim targets are necessary to accommodate the initial IPOPPIF transition and the subsequent buildup of diversified strategies, including private market investments. 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 interim targets. Rebalancing ranges are not included where liquidity constraints prevent rebalancing.

Asset Classes	Interim			Long-term Target Allocation	
	Target Allocation	Rebalancing Range			
		Band	Lower		
<b>Growth</b>	<b>58.0%</b>	<b>10.0%</b>	<b>53.0%</b>	<b>63.0%</b>	<b>65.0%</b>
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	19.0%	4.0%	17.0%	21.0%	19.0%
International Developed Small	5.0%	2.0%	4.0%	6.0%	5.0%
Emerging Markets	6.0%	2.0%	5.0%	7.0%	6.0%
Private Equity	0.0%	N/A	N/A	N/A	7.0%
<b>Income</b>	<b>16.0%</b>	<b>4.0%</b>	<b>14.0%</b>	<b>18.0%</b>	<b>14.0%</b>
High Yield Corp. Credit	74.0%	2.0%	63.0%	85.0%	3.0%
Emerging Market Debt	6.0%	2.0%	5.0%	7.0%	3.0%
Bank Loans	3.0%	2.0%	2.0%	4.0%	3.0%
Private Credit	03.0%	N/A	N/A	N/A	5.0%
<b>Real Return Assets</b>	<b>6.0%</b>	<b>2.0%</b>	<b>5.0%</b>	<b>7.0%</b>	<b>8.0%</b>
REITs	4.0%	2.0%	3.0%	5.0%	0.0%
Private Real Estate	2.0%	N/A	N/A	N/A	5.0%
Private Infrastructure	0.0%	N/A	N/A	N/A	3.0%
<b>Risk Mitigation</b>	<b>20.0%</b>	<b>8.0%</b>	<b>16.0%</b>	<b>24.0%</b>	<b>13.0%</b>
Cash	1.0%	2.0%	0.0%	2.0%	1.0%
Short-Term Gov't/Credit	10.0%	4.0%	8.0%	12.0%	3.0%
US Treasury	3.0%	2.0%	2.0%	4.0%	3.0%
US TIPS	3.0%	2.0%	2.0%	4.0%	3.0%
Core Fixed Income	3.0%	2.0%	2.0%	4.0%	3.0%
<b>Total</b>	<b>100.0%</b>				<b>100.0%</b>

### 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 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 – Interim Allocation**

Asset Class	Policy Benchmark	Weight
Cash	91-day T-Bills	1.0%
Short-Term Bonds	Bloomberg US Gov/Credit 1-3 year	10.0%
Core Bonds	Bloomberg US Aggregate	3.0%
US TIPS	Bloomberg US TIPS 0-5 Years	3.0%
US Treasury	Bloomberg US Treasury Index	3.0%
Bank Loans	<del>Credit Suisse</del> <u>S&amp;P UBS</u> Leveraged Loan	3.0%
High Yield Debt	Bloomberg US Corporate High Yield	<del>74</del> .0%
Emerging Markets Debt	JPM EMBI Global Diversified	6.0%
Private Credit	Actual Returns <sup>2</sup>	<del>03</del> .0% <sup>1</sup>
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 <sup>3</sup>	19.0%
Developed Int'l Small Cap Equity	MSCI World ex-US Small Cap Net <sup>3</sup>	5.0%
Emerging Markets Equity	MSCI Emerging Markets ex China Net <sup>3</sup>	6.0%
Private Equity	Actual Returns <sup>2</sup>	0.0% <sup>1</sup>
REITs	DJ US Select REIT Total Return	4.0%
<del>Core</del> Private Real Estate	NFI-ODCE equal-weight	2.0%
Private <del>Real Estate</del> / Infrastructure	Actual Returns <sup>2</sup>	0.0% <sup>1</sup>
Total		100.0%

<sup>1</sup> Private Markets Investments each have long-term allocation weights and are included in the Policy Benchmark table for reference.

<sup>2</sup> 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~~benchmarks.

<sup>3</sup> Net: Total Net Return including dividends and net of foreign withholding taxes.

**Broad Benchmark**

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

### **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 IPOPPIF 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 IPOPPIF 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 IPOPPIF use MWDBE Investment Managers for not less than 20% of the total assets under management. It is also IPOPPIF’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.

#### **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**

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy and the following: (1) the names and addresses of the Emerging Investment Managers used; (2) the percentage of the assets under the investment control of Emerging Investment Managers; (3) 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.

**F. Review Requirement**

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

### **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. Reporting**

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy and 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.

### **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.

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this 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.

In accordance with 40 ILCS 5/1-109.1(8), the Fund shall submit a report to the Governor and the General Assembly by January 1 of each year that includes this Policy.

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.

### **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.

**Appendix C1 – STATEMENT OF PRINCIPLE SUPPORTING POLICE AND PENSIONS**

The Board of Trustees affirms as a matter of Fund policy that IPOPIF's investments should recognize and respect the positive impact that municipal law enforcement officers have in their communities and these officers' right to a strong defined benefit pension. The Board recognizes that some publicly traded corporations and private owners or managers of investment vehicles may invest in or support organizations that engage in activity that could undermine law enforcement officers' ability to protect and serve their communities safely, such as defunding the police ("Anti-Police Activity"), or that could diminish public pension sustainability or retirement security ("Anti-Pension Activity").

The Board intends to objectively determine organizations that engage in Anti-Police Activity or Anti-Pension Activity and, within the bounds of financial and fiduciary prudence, strive to avoid supporting these organizations through transparency, procurement, proxy voting, investment guidelines, and other policies or procedures determined by the Board.



# **Illinois Police Officers' Pension Investment Fund**

## **Investment Update**

**As of 1/29/26**

# Performance Update

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

Source: Verus Preliminary Monthly Reporting <https://www.ipopif.org/reports/investment-reports/>

- Returns for periods longer than one year are annualized.
- IPOPIF Performance is net of investment management fees.
- Policy Benchmark – Weighted average of asset class benchmarks; gauges success of implementation (currently less stock exposure than the broad benchmark).
- Broad Benchmark – 70/30 global stocks/bonds; gauges success of asset allocation.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year.
- Verus Preliminary December 2025 Investment Report is attached for reference.
- Preliminary data indicates that the Fund was up ~3% in January through 1/28/26.

# FY 26 Performance Commentary

- **3Q25** – Following a strong 2Q but a muted July, stocks rallied in August and into September on strong 2Q earnings and a Fed rate cut. The portfolio gained 5.2% for the quarter, led by stocks (+7.1%), especially U.S. Small Caps (+12.3%) playing catch up from prior quarters.
- **4Q25** - 3Q momentum carried through October with a 1.5% gain and moderated through year end, adding another 1.6%, resulting in a 3.1% gain for the quarter and 8.5% for the trailing six months (FY26 to date).
  - EME ex China mandates posted the highest returns with ARGA up 13.3% and William Blair up 10.7%.
  - LSV international small cap value also performed admirably at +7.1%.
  - WCM struggled, losing 5.9% vs. +3.0% for their index. However, we recognize that the WCM performance profile is more volatile.

# Asset Allocation 1/27/26

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

# Funding and Rebalancing

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

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

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

# Non-Transferred Asset Update

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

# 10/17/25 NTA Report

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

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

Source: IL DOI Detailed Financial Data, IPOPIF calculations.

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

# Board Agenda Projection

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

For discussion and planning purposes. Subject to revision.

## Total Fund

## Illinois Police Officers' Pension Investment Fund

## Asset Allocation &amp; Performance (Net of Fees) - Preliminary

Period Ending: December 31, 2025

	Market Value	% of Portfolio	Target (%)	1 Mo	QTD	Fiscal YTD	YTD	1 Yr	3 Yrs	Since Inception	Inception Date
<b>Total Fund with Member and Transition Accounts</b>	<b>14,870,144,122</b>	<b>100.0</b>	<b>100.0</b>	<b>1.1</b>	<b>3.1</b>	<b>8.5</b>	<b>18.0</b>	<b>18.0</b>	<b>13.8</b>	<b>8.1</b>	<b>03/01/22</b>
Policy Index				1.0	3.0	8.4	17.2	17.2	13.7	7.9	
Policy Index- Broad Based				0.8	2.4	8.0	17.9	17.9	15.1	8.0	
<b>IPOPIF Investment Portfolio</b>	<b>14,870,144,122</b>	<b>100.0</b>	<b>100.0</b>	<b>1.1</b>	<b>3.1</b>	<b>8.5</b>	<b>17.9</b>	<b>17.9</b>	<b>13.7</b>	<b>8.1</b>	<b>04/01/22</b>
Policy Index				1.0	3.0	8.4	17.2	17.2	13.7	7.9	
Policy Index- Broad Based				0.8	2.4	8.0	17.9	17.9	15.1	8.0	
<b>Growth</b>	<b>8,948,840,738</b>	<b>60.2</b>	<b>58.0</b>	<b>1.8</b>	<b>4.4</b>	<b>11.8</b>	<b>25.5</b>	<b>25.5</b>	<b>19.1</b>	<b>10.9</b>	<b>04/01/22</b>
Growth Benchmark				1.6	4.2	11.8	24.9	24.9	19.0	10.6	
RhumbLine Russell 1000 Index	3,377,795,664	22.7	23.0	0.0	2.4	10.6	17.3	17.3	22.7	12.8	04/01/22
Russell 1000 Index				0.0	2.4	10.6	17.4	17.4	22.7	12.9	
<b>Domestic Small Cap Equity</b>	<b>727,464,177</b>	<b>4.9</b>	<b>5.0</b>	<b>0.3</b>	<b>2.2</b>	<b>14.8</b>	<b>12.8</b>	<b>12.8</b>	<b>13.7</b>	<b>6.4</b>	<b>04/01/22</b>
Russell 2000 Index				-0.6	2.2	14.9	12.8	12.8	13.7	6.5	
RhumbLine Russell 2000 Index	281,501,752	1.9	2.0	-0.6	2.2	14.8	12.8	12.8	13.7	6.4	04/01/22
Russell 2000 Index				-0.6	2.2	14.9	12.8	12.8	13.7	6.5	
Hood River Small Cap Growth	220,487,299	1.5	1.5	-0.1	-	-	-	-	-	-0.1	12/01/25
Russell 2000 Growth Index				-1.3	-	-	-	-	-	-1.3	
Reinhart Small Cap Value	225,475,126	1.5	1.5	1.6	-	-	-	-	-	1.6	12/01/25
Russell 2000 Value Index				0.2	-	-	-	-	-	0.2	
US Transition Manager Account	-	0.0	0.0								
SSgA Non-US Developed Index	2,952,114,541	19.9	19.0	3.0	5.2	10.9	32.3	32.3	18.0	11.1	04/01/22
MSCI World ex U.S. (Net)				3.0	5.2	10.8	31.9	31.9	17.6	10.7	
<b>International Developed Small Cap Equity</b>	<b>837,333,778</b>	<b>5.6</b>	<b>5.0</b>	<b>2.4</b>	<b>2.1</b>	<b>7.9</b>	<b>31.9</b>	<b>31.9</b>	<b>16.5</b>	<b>8.5</b>	<b>04/01/22</b>
MSCI World ex U.S. Small Cap Index (Net)				2.4	3.5	11.0	34.1	34.1	15.8	7.9	
Acadian ACWI ex US Small-Cap Fund	415,605,743	2.8	2.5	2.7	3.5	10.3	30.6	30.6	-	22.2	02/01/24
MSCI AC World ex USA Small Cap (Net)				2.0	3.0	9.8	29.3	29.3	-	17.4	
WCM International Small Cap Growth Fund	190,509,225	1.3	1.3	-0.8	-5.9	-4.1	18.9	18.9	-	11.6	03/01/24
MSCI AC World ex USA Small Cap (Net)				2.0	3.0	9.8	29.3	29.3	-	17.6	
LSV International Small Cap Value Equity Fund	231,218,809	1.6	1.3	4.7	7.1	15.1	47.8	47.8	-	26.6	03/01/24
S&P Developed Ex-U.S. SmallCap (Net)				2.6	3.5	10.8	34.2	34.2	-	18.6	
<b>Emerging Market Equities</b>	<b>1,054,132,578</b>	<b>7.1</b>	<b>6.0</b>	<b>4.6</b>	<b>12.0</b>	<b>19.2</b>	<b>40.3</b>	<b>40.3</b>	<b>16.6</b>	<b>8.8</b>	<b>04/01/22</b>
Emerging Markets Equity Benchmark				4.7	10.2	17.5	34.6	34.6	15.5	7.7	
William Blair Emerging Markets ex China Growth Fund	509,373,347	3.4	3.0	4.3	10.7	18.1	27.3	27.3	-	27.3	01/01/25
MSCI Emerging Markets ex China IMI (Net)				4.2	9.2	16.1	32.3	32.3	-	32.3	
ARGA Emerging Markets Ex China Equity	544,759,231	3.7	3.0	4.9	13.3	20.3	52.5	52.5	-	42.7	12/01/24
MSCI Emerging Markets ex China (Net)				4.7	10.2	17.5	34.6	34.6	-	30.1	

The Principal USPA Real Estate Fund is benchmarked against the NCREIF ODCE index on a quarterly basis and against itself for the purpose of monthly flash reports due to quarterly index data availability.



## Total Fund

## Illinois Police Officers' Pension Investment Fund

## Asset Allocation &amp; Performance (Net of Fees) - Preliminary

Period Ending: December 31, 2025

	Market Value	% of Portfolio	Target (%)	1 Mo	QTD	Fiscal YTD	YTD	1 Yr	3 Yrs	Since Inception	Inception Date
<b>Income</b>	<b>2,295,474,075</b>	<b>15.4</b>	<b>16.0</b>	<b>0.8</b>	<b>2.0</b>	<b>5.2</b>	<b>10.4</b>	<b>10.4</b>	<b>10.2</b>	<b>5.4</b>	<b>04/01/22</b>
Income Benchmark				0.8	2.1	5.3	10.2	10.2	10.1	6.0	
SSgA High Yield Corporate Credit	612,774,191	4.1	4.3	0.6	1.3	3.9	8.6	8.6	10.2	5.8	04/01/22
Spliced SSgA U.S. High Yield Index				0.7	1.3	3.8	8.5	8.5	10.0	5.8	
<b>Emerging Market Debt</b>	<b>854,857,754</b>	<b>5.7</b>	<b>6.0</b>	<b>0.7</b>	<b>3.1</b>	<b>7.7</b>	<b>14.9</b>	<b>14.9</b>	<b>10.8</b>	<b>5.3</b>	<b>04/01/22</b>
Emerging Markets Debt Benchmark				0.7	3.3	8.2	14.3	14.3	10.6	6.3	
SSgA EMD Hard Index Fund	633,166,525	4.3	4.5	0.7	3.3	8.2	14.4	14.4	10.8	5.3	04/01/22
Spliced SSgA EMD Hard Index				0.7	3.3	8.2	14.3	14.3	10.6	5.6	
Capital Group Emerging Markets Debt	221,691,230	1.5	1.5	0.8	2.6	6.3	16.4	16.4	-	12.1	11/01/24
Spliced Capital Group EMD Index				1.0	2.8	6.3	15.3	15.3	-	11.7	
<b>Bank Loans</b>	<b>421,129,157</b>	<b>2.8</b>	<b>3.0</b>	<b>0.7</b>	<b>1.5</b>	<b>3.5</b>	<b>6.5</b>	<b>6.5</b>	-	<b>7.5</b>	<b>03/01/24</b>
S&P UBS Leveraged Loan Index				0.7	1.2	2.9	5.9	5.9	-	7.2	
Ares Institutional Loan Fund	139,532,428	0.9	1.0	0.4	1.0	3.1	5.9	5.9	-	7.5	03/01/24
S&P UBS Leveraged Loan Index				0.7	1.2	2.9	5.9	5.9	-	7.2	
Aristotle Institutional Loan Fund	281,596,728	1.9	2.0	0.8	1.8	3.8	6.8	6.8	-	7.5	03/01/24
S&P UBS Leveraged Loan Index				0.7	1.2	2.9	5.9	5.9	-	7.2	
Oaktree Blue Credit 1	406,712,973	2.7	2.7	1.4	1.4	3.4	-	-	-	5.4	05/01/25
<b>Real Assets</b>	<b>796,230,819</b>	<b>5.4</b>	<b>6.0</b>	<b>-1.7</b>	<b>-0.3</b>	<b>3.6</b>	<b>3.8</b>	<b>3.8</b>	<b>5.0</b>	<b>1.0</b>	<b>04/01/22</b>
Real Assets Benchmark				-1.5	-0.1	3.4	3.7	3.7	4.4	-1.2	
SSgA REITs Index	573,288,214	3.9	4.0	-2.5	-0.8	4.2	3.6	3.6	8.5	-0.5	04/01/22
Dow Jones U.S. Select REIT Total Return Index				-2.5	-0.8	4.3	3.7	3.7	8.5	-0.5	
Principal USPA	222,942,605	1.5	2.0	0.4	1.2	2.4	4.3	4.3	-3.0	-3.5	05/01/22

The Principal USPA Real Estate Fund is benchmarked against the NCREIF ODCE index on a quarterly basis and against itself for the purpose of monthly flash reports due to quarterly index data availability.



## Total Fund

## Illinois Police Officers' Pension Investment Fund

## Asset Allocation &amp; Performance (Net of Fees) - Preliminary

Period Ending: December 31, 2025

	Market Value	% of Portfolio	Target (%)	1 Mo	QTD	Fiscal YTD	YTD	1 Yr	3 Yrs	Since Inception	Inception Date
<b>Risk Mitigation</b>	<b>2,829,598,490</b>	<b>19.0</b>	<b>20.0</b>	<b>0.1</b>	<b>0.9</b>	<b>2.4</b>	<b>5.8</b>	<b>5.8</b>	<b>4.9</b>	<b>3.2</b>	<b>04/01/22</b>
<i>Risk Mitigation Benchmark</i>				0.1	1.0	2.4	5.8	5.8	4.9	3.1	
SSgA US Treasury Index	385,744,179	2.6	3.0	-0.4	0.8	2.3	6.2	6.2	-	6.2	05/01/24
<i>Blmbg. U.S. Treasury Index</i>				-0.3	0.9	2.4	6.3	6.3	-	6.2	
SSgA Core Fixed Income Index	390,474,110	2.6	3.0	-0.3	1.0	3.0	7.2	7.2	4.7	1.5	04/01/22
<i>Blmbg. U.S. Aggregate Index</i>				-0.1	1.1	3.2	7.3	7.3	4.7	1.6	
SSgA Short-Term Gov't/Credit Index	1,478,615,649	9.9	10.0	0.3	1.1	2.3	5.4	5.4	4.8	3.5	04/01/22
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>				0.3	1.2	2.4	5.3	5.3	4.8	3.5	
SSgA US TIPS Index	441,054,891	3.0	3.0	0.0	0.4	2.0	6.1	6.1	5.2	3.3	04/01/22
<i>Blmbg. U.S. TIPS 0-5 Year</i>				0.1	0.4	2.0	6.1	6.1	5.1	3.4	
Cash	132,724,222	0.9	1.0	0.3	0.9	2.0	4.0	4.0	4.7	3.9	04/01/22
<i>90 Day U.S. Treasury Bill</i>				0.3	1.0	2.1	4.2	4.2	4.8	4.2	
IPOPPIF Pool Fixed Income Transition	985,439	0.0	-								
Member Accounts	-	0.0	-								
Transition Account	-	0.0	-								

The Principal USPA Real Estate Fund is benchmarked against the NCREIF ODCE index on a quarterly basis and against itself for the purpose of monthly flash reports due to quarterly index data availability.



## Total Fund

## Data Sources and Methodology Page

## Illinois Police Officers' Pension Investment Fund

Period Ending: December 31, 2025

## Performance Return Calculations

Performance is calculated using Time Weighted Rates of Return (TWRR) methodologies. Monthly returns are geometrically linked and annualized for periods longer than one year.

## Data Source

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

## Manager Line Up

Manager	Inception Date	Data Source	Manager	Inception Date	Data Source
RhumbLine Russell 1000 Index Fund	3/15/2022	State Street	SSgA High Yield Corporate Credit	3/18/2022	State Street
RhumbLine Russell 2000 Index Fund	3/15/2022	State Street	SSgA EMD Hard Index Fund	3/14/2022	State Street
Hood River Small Cap Growth	11/7/2025	State Street	Capital Group Emerging Markets Debt Fund	10/21/2024	State Street
Reinhart Small Cap Value	11/7/2025	State Street	Ares Institutional Loan Fund	3/1/2024	Ares
SSgA Non-US Developed Index Fund	3/10/2022	State Street	Aristotle Institutional Loan Fund	3/1/2024	Aristotle
SSgA Non-US Developed SC Index Fund	3/10/2022	State Street	Principal USPA	4/6/2022	State Street
Acadian ACWI ex US Small-Cap Fund	1/30/2024	State Street	Oaktree Blue Credit 1	5/1/2025	Oaktree
WCM International Small Cap Growth Fund	3/1/2024	WCM	SSgA REITs Index Fund	3/10/2022	State Street
LSV International Small Cap Value Equity Fund	3/1/2024	LSV	SSgA US Treasury Index Fund	5/1/2024	State Street
SSgA Emerging Markets Equity Index Fund	3/1/2022	State Street	SSgA Core Fixed Income Index Fund	3/17/2022	State Street
SSgA Emerging Markets ex China Equity Index Fund	5/1/2024	State Street	SSgA Short-Term Gov't/Credit Index Fund	3/17/2022	State Street
William Blair EM ex China Growth Fund	12/9/2024	William Blair	SSgA US TIPS Index Fund	3/17/2022	State Street
ARGA Emerging Markets Ex China Equity	12/1/2024	ARGA	Cash	3/22/2022	State Street

## Custom Benchmark Composition

Benchmark	Time period	Composition
Policy Index -Broad Benchmark	4/1/2022 - Present	70% MSCI ACWI IMI (Net) and 30% Bloomberg Global Multiverse.
Spliced SSgA EMD Hard Benchmark	7/1/2023 - Present	100% JPM EMBI Global Diversified Index
Spliced SSgA EMD Hard Benchmark	3/14/2022 - 6/30/2022	100% JPM EMBI Global Core Index
Spliced SSgA U.S. High Yield Index	12/1/2022 - Present	100% ICE BofA US High yield Master II Constrained
Spliced SSgA U.S. High Yield Index	4/1/2022 - 11/30/2022	100% Bloomberg U.S. High Yield Very Liquid Index
Spliced Capital Group EMD Benchmark	1/1/2025 - Present	50% JPM GBI EM GD/30% JPM EMBI GD/20% JPM CEMBI BD
Spliced Capital Group EMD Benchmark	10/21/2024 - 12/31/2024	50% JPM EMBI GD/50% JPM GBI EM GD

## Total Fund

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## Illinois Police Officers' Pension Investment Fund

Period Ending: December 31, 2025

Policy Index Composition						Policy Index Composition					
As of 9/1/2025	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 8/1/2025	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23.0%	39.7%				Russell 1000	23.0%	39.7%			
Russell 2000	5.0%	8.6%				Russell 2000	5.0%	8.6%			
MSCI World ex U.S.	19.0%	32.8%				MSCI World ex U.S.	19.0%	32.8%			
MSCI World ex U.S. Small Cap	5.0%	8.6%				MSCI World ex U.S. Small Cap	5.0%	8.6%			
MSCI Emerging Markets ex China	6.0%	10.3%				MSCI Emerging Markets ex China	6.0%	10.3%			
Bloomberg US Corporate High Yield Index	4.0%		25.0%			Bloomberg US Corporate High Yield Index	4.5%		28.1%		
JPM EMBI Global Diversified Index	6.0%		37.5%			JPM EMBI Global Diversified Index	6.0%		37.5%		
S&P UBS Leveraged Loan Index	3.0%		18.8%			S&P UBS Leveraged Loan Index	3.0%		18.8%		
Private Credit Actual Performance	3.0%		18.8%			Private Credit Actual Performance	2.5%		15.6%		
NFI-ODCE Equal-Weighted Index	2.0%			33.3%		NFI-ODCE Equal-Weighted Index	2.0%			33.3%	
Dow Jones US Select REIT Index	4.0%			66.7%		Dow Jones US Select REIT Index	4.0%			66.7%	
Bloomberg US Aggregate Index	3.0%				15.0%	Bloomberg US Aggregate Index	3.0%			15.0%	
Bloomberg US Treasury Index	3.0%				15.0%	Bloomberg US Treasury Index	3.0%			15.0%	
Bloomberg 1-3 Year Gov/Credit Index	10.0%				50.0%	Bloomberg 1-3 Year Gov/Credit Index	10.0%			50.0%	
Bloomberg US TIPS 0-5 Year	3.0%				15.0%	Bloomberg US TIPS 0-5 Year	3.0%			15.0%	
90 Day US Treasury Bill Index	1.0%				5.0%	90 Day US Treasury Bill Index	1.0%			5.0%	
As of 7/1/2025	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 6/1/2025	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23.0%	39.7%				Russell 1000	23.0%	39.7%			
Russell 2000	5.0%	8.6%				Russell 2000	5.0%	8.6%			
MSCI World ex U.S.	19.0%	32.8%				MSCI World ex U.S.	19.0%	32.8%			
MSCI World ex U.S. Small Cap	5.0%	8.6%				MSCI World ex U.S. Small Cap	5.0%	8.6%			
MSCI Emerging Markets ex China	6.0%	10.3%				MSCI Emerging Markets ex China	6.0%	10.3%			
Bloomberg US Corporate High Yield Index	5.1%		31.7%			Bloomberg US Corporate High Yield Index	5.7%		35.3%		
JPM EMBI Global Diversified Index	6.0%		37.5%			JPM EMBI Global Diversified Index	6.0%		37.5%		
S&P UBS Leveraged Loan Index	3.0%		18.8%			S&P UBS Leveraged Loan Index	3.0%		18.8%		
Private Credit Actual Performance	1.9%		12.0%			Private Credit Actual Performance	1.4%		8.4%		
NFI-ODCE Equal-Weighted Index	2.0%			33.3%		NFI-ODCE Equal-Weighted Index	2.0%			33.3%	
Dow Jones US Select REIT Index	4.0%			66.7%		Dow Jones US Select REIT Index	4.0%			66.7%	
Bloomberg US Aggregate Index	3.0%				15.0%	Bloomberg US Aggregate Index	3.0%			15.0%	
Bloomberg US Treasury Index	3.0%				15.0%	Bloomberg US Treasury Index	3.0%			15.0%	
Bloomberg 1-3 Year Gov/Credit Index	10.0%				50.0%	Bloomberg 1-3 Year Gov/Credit Index	10.0%			50.0%	
Bloomberg US TIPS 0-5 Year	3.0%				15.0%	Bloomberg US TIPS 0-5 Year	3.0%			15.0%	
90 Day US Treasury Bill Index	1.0%				5.0%	90 Day US Treasury Bill Index	1.0%			5.0%	
As of 5/1/2025	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 12/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23.0%	39.7%				Russell 1000	23.0%	39.7%			
Russell 2000	5.0%	8.6%				Russell 2000	5.0%	8.6%			
MSCI World ex U.S.	19.0%	32.8%				MSCI World ex U.S.	19.0%	32.8%			
MSCI World ex U.S. Small Cap	5.0%	8.6%				MSCI World ex U.S. Small Cap	5.0%	8.6%			
MSCI Emerging Markets ex China	6.0%	10.3%				MSCI Emerging Markets ex China	6.0%	10.3%			
Bloomberg US Corporate High Yield Index	6.2%		38.9%			Bloomberg US Corporate High Yield Index	7.0%		43.8%		
JPM EMBI Global Diversified Index	6.0%		37.5%			JPM EMBI Global Diversified Index	6.0%		37.5%		
S&P UBS Leveraged Loan Index	3.0%		18.8%			S&P UBS Leveraged Loan Index	3.0%		18.8%		
Private Credit Actual Performance	0.8%		4.8%			NFI-ODCE Equal-Weighted Index	2.0%			33.3%	
NFI-ODCE Equal-Weighted Index	2.0%			33.3%		Dow Jones US Select REIT Index	4.0%			66.7%	
Dow Jones US Select REIT Index	4.0%			66.7%		Bloomberg US Aggregate Index	3.0%				
Bloomberg US Aggregate Index	3.0%				15.0%	Bloomberg US Treasury Index	3.0%			15.0%	
Bloomberg US Treasury Index	3.0%				15.0%	Bloomberg 1-3 Year Gov/Credit Index	10.0%			50.0%	
Bloomberg 1-3 Year Gov/Credit Index	10.0%				50.0%	Bloomberg US TIPS 0-5 Year	3.0%			15.0%	
Bloomberg US TIPS 0-5 Year	3.0%				15.0%	90 Day US Treasury Bill Index	1.0%			5.0%	
90 Day US Treasury Bill Index	1.0%				5.0%	90 Day US Treasury Bill Index	1.0%			5.0%	

## Total Fund

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## Illinois Police Officers' Pension Investment Fund

Period Ending: December 31, 2025

Policy Index Composition						Policy Index Composition					
As of 11/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 10/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%				Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%				Russell 2000	5%	8.6%			
MSCI World ex U.S.	19%	32.8%				MSCI World ex U.S.	19%	32.8%			
MSCI World ex U.S. Small Cap	5%	8.6%				MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	0.7%	1.2%				MSCI Emerging Markets	0.8%	1.4%			
MSCI Emerging Markets ex China	5.3%	9.2%				MSCI Emerging Markets ex China	5.2%	9.0%			
Bloomberg US Corporate High Yield Index	7%		43.8%			Bloomberg US Corporate High Yield Index	7%		43.8%		
JPM EMBI Global Diversified Index	6%		37.5%			JPM EMBI Global Diversified Index	6%		37.5%		
S&P UBS Leveraged Loan Index	3%		18.8%			S&P UBS Leveraged Loan Index	3%		18.8%		
NFI-ODCE Equal-Weighted Index	2%			33.3%		NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%		Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%	Bloomberg US Aggregate Index	3%			15.0%	
Bloomberg US Treasury Index	3%				15.0%	Bloomberg US Treasury Index	3%			15.0%	
Bloomberg 1-3 Year Gov/Credit Index	10%				50.0%	Bloomberg 1-3 Year Gov/Credit Index	10%			50.0%	
Bloomberg US TIPS 0-5 Year	3%				15.0%	Bloomberg US TIPS 0-5 Year	3%			15.0%	
90 Day US Treasury Bill Index	1%				5.0%	90 Day US Treasury Bill Index	1%			5.0%	
As of 9/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 8/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%				Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%				Russell 2000	5%	8.6%			
MSCI World ex U.S.	19%	32.8%				MSCI World ex U.S.	19%	32.8%			
MSCI World ex U.S. Small Cap	5%	8.6%				MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	1.5%	2.6%				MSCI Emerging Markets	2%	3.4%			
MSCI Emerging Markets ex China	4.5%	7.8%				MSCI Emerging Markets ex China	4%	6.9%			
Bloomberg US Corporate High Yield Index	7%		43.8%			Bloomberg US Corporate High Yield Index	7%		43.8%		
JPM EMBI Global Diversified Index	6%		37.5%			JPM EMBI Global Diversified Index	6%		37.5%		
S&P UBS Leveraged Loan Index	3%		18.8%			S&P UBS Leveraged Loan Index	3%		18.8%		
NFI-ODCE Equal-Weighted Index	2%			33.3%		NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%		Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%	Bloomberg US Aggregate Index	3%			15.0%	
Bloomberg US Treasury Index	3%				15.0%	Bloomberg US Treasury Index	3%			15.0%	
Bloomberg 1-3 Year Gov/Credit Index	10%				50.0%	Bloomberg 1-3 Year Gov/Credit Index	10%			50.0%	
Bloomberg US TIPS 0-5 Year	3%				15.0%	Bloomberg US TIPS 0-5 Year	3%			15.0%	
90 Day US Treasury Bill Index	1%				5.0%	90 Day US Treasury Bill Index	1%			5.0%	
As of 7/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 6/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%				Russell 1000	23%	36.5%			
Russell 2000	5%	8.6%				Russell 2000	5%	7.9%			
MSCI World ex U.S.	19%	32.8%				MSCI World ex U.S.	19%	30.1%			
MSCI World ex U.S. Small Cap	5%	8.6%				MSCI World ex U.S. Small Cap	5%	7.9%			
MSCI Emerging Markets	3%	5.2%				MSCI Emerging Markets	4%	6.3%			
MSCI Emerging Markets ex China	3%	5.2%				MSCI Emerging Markets ex China	2%	3.2%			
Bloomberg US Corporate High Yield Index	7%		43.8%			Bloomberg US Corporate High Yield Index	7%		64.1%		
JPM EMBI Global Diversified Index	6%		37.5%			JPM EMBI Global Diversified Index	6%		54.9%		
S&P UBS Leveraged Loan Index	3%		18.8%			S&P UBS Leveraged Loan Index	3%		27.5%		
NFI-ODCE Equal-Weighted Index	2%			33.3%		NFI-ODCE Equal-Weighted Index	2%			33.3%	
Dow Jones US Select REIT Index	4%			66.7%		Dow Jones US Select REIT Index	4%			66.7%	
Bloomberg US Aggregate Index	3%				15.0%	Bloomberg US Aggregate Index	3%			15.0%	
Bloomberg US Treasury Index	3%				15.0%	Bloomberg US Treasury Index	2%			10.0%	
Bloomberg 1-3 Year Gov/Credit Index	10%				50.0%	Bloomberg 1-3 Year Gov/Credit Index	11%			55.0%	
Bloomberg US TIPS 0-5 Year	3%				15.0%	Bloomberg US TIPS 0-5 Year	3%			15.0%	
90 Day US Treasury Bill Index	1%				5.0%	90 Day US Treasury Bill Index	1%			5.0%	

## Total Fund

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## Illinois Police Officers' Pension Investment Fund

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Policy Index Composition						Policy Index Composition					
As of 5/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 4/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%				Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%				Russell 2000	5%	8.6%			
MSCI World ex U.S.	19%	32.8%				MSCI World ex U.S.	19%	32.8%			
MSCI World ex U.S. Small Cap	5%	8.6%				MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	5%	8.6%				MSCI Emerging Markets	6%	10.3%			
MSCI Emerging Markets ex China	1%	1.7%				Bloomberg US Corporate High Yield Index	7%		43.8%		
Bloomberg US Corporate High Yield Index	7%		43.8%			JPM EMBI Global Diversified Index	6%		37.5%		
JPM EMBI Global Diversified Index	6%		37.5%			S&P UBS Leveraged Loan Index	3%		18.8%		
S&P UBS Leveraged Loan Index	3%		18.8%			NFI-ODCE Equal-Weighted Index	2%			33.3%	
NFI-ODCE Equal-Weighted Index	2%			33.3%		Dow Jones US Select REIT Index	4%			66.7%	
Dow Jones US Select REIT Index	4%			66.7%		Bloomberg US Aggregate Index	3%				15.0%
Bloomberg US Aggregate Index	3%					Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%
Bloomberg US Treasury Index	1%					Bloomberg US TIPS 0-5 Year	3%				15.0%
Bloomberg 1-3 Year Gov/Credit Index	12%					90 Day US Treasury Bill Index	1%				5.0%
Bloomberg US TIPS 0-5 Year	3%										
90 Day US Treasury Bill Index	1%										
As of 3/1/2024	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 5/1/2023	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	23%	39.7%				Russell 1000	23%	39.7%			
Russell 2000	5%	8.6%				Russell 2000	5%	8.6%			
MSCI World ex U.S.	18%	31.0%				MSCI World ex U.S.	18%	31.0%			
MSCI World ex U.S. Small Cap	5%	8.6%				MSCI World ex U.S. Small Cap	5%	8.6%			
MSCI Emerging Markets	7%	12.1%				MSCI Emerging Markets	7%	12.1%			
Bloomberg US Corporate High Yield Index	8.5%		53.1%			Bloomberg US Corporate High Yield Index	10%		62.5%		
JPM EMBI Global Diversified Index	6%		37.5%			JPM EMBI Global Diversified Index	6%		37.5%		
S&P UBS Leveraged Loan Index	1.5%		9.4%			NFI-ODCE Equal-Weighted Index	2%			33.3%	
NFI-ODCE Equal-Weighted Index	2%			33.3%		Dow Jones US Select REIT Index	4%			66.7%	
Dow Jones US Select REIT Index	4%			66.7%		Bloomberg US Aggregate Index	3%				15.0%
Bloomberg US Aggregate Index	3%					Bloomberg 1-3 Year Gov/Credit Index	13%				65.0%
Bloomberg 1-3 Year Gov/Credit Index	13%					Bloomberg US TIPS 0-5 Year	3%				15.0%
Bloomberg US TIPS 0-5 Year	3%					90 Day US Treasury Bill Index	1%				5.0%
90 Day US Treasury Bill Index	1%										
As of 1/1/2023	Policy Index	Growth	Income	Real Assets	Risk Mitigation	As of 3/31/2022	Policy Index	Growth	Income	Real Assets	Risk Mitigation
Russell 1000	18%	36.0%				Russell 3000	23%	46.0%			
Russell 2000	5%	10.0%				MSCI ACWI ex USA IMI	20%	40.0%			
MSCI World ex U.S.	15%	30.0%				MSCI Emerging Markets IMI	7%	14.0%			
MSCI World ex U.S. Small Cap	5%	10.0%				Bloomberg US Corporate High Yield Index	10%		62.5%		
MSCI Emerging Markets	7%	14.0%				50% JPM EMBI GD/50% JPM GBI EM GD	6%		37.5%		
Bloomberg US Corporate High Yield Index	10%		62.5%			NCREIF Property Index	2%			66.7%	
JPM EMBI Global Diversified Index	6%		37.5%			Dow Jones US Select REIT Index	4%			33.3%	
NFI-ODCE Equal-Weighted Index	2%			33.3%		Bloomberg US Aggregate Index	7%				25.0%
Dow Jones US Select REIT Index	4%			66.7%		Bloomberg 1-3 Year Gov/Credit Index	15%				53.6%
Bloomberg US Aggregate Index	7%					Bloomberg US TIPS 0-5 Year	3%				10.7%
Bloomberg 1-3 Year Gov/Credit Index	15%					90 Day US Treasury Bill Index	3%				10.7%
Bloomberg US TIPS 0-5 Year	3%										
90 Day US Treasury Bill Index	3%										

## Glossary

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**Allocation Effect:** An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

**Alpha:** The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return  $[\text{Risk free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk free Rate})]$ .

**Benchmark R squared:** Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R squared, the more appropriate the benchmark is for the manager.

**Beta:** A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

**Book to Market:** The ratio of book value per share to market price per share. Growth managers typically have low book to market ratios while value managers typically have high book to market ratios.

**Capture Ratio:** A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

**Correlation:** A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

**Excess Return:** A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

**Information Ratio:** A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

**Interaction Effect:** An attribution effect that describes the portion of active management that is attributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

**Portfolio Turnover:** The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

**Price to Earnings Ratio (P/E):** Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price to earnings ratios whereas value managers hold stocks with low price to earnings ratios.

**R Squared:** Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

**Selection Effect:** An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

**Sharpe Ratio:** A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

**Sortino Ratio:** Measures the risk adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

**Standard Deviation:** A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

**Style Analysis:** A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

**Style Map:** A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

## Disclosure

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## **Illinois Police Officers' Pension Investment Fund**

### **Board of Trustees Meeting Minutes**

**Friday, January 16, 2026**

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Plaza, 456 Fulton St., Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Members of the Board of Trustees:**

- Paul Swanlund, Participant Trustee, Chairperson
- Lee Catavu, Participant Trustee, Vice-Chairperson
- Scott Bowers, Participant Trustee, Secretary
- Daniel Hopkins, Beneficiary Trustee
- Mark Poulos, Beneficiary Trustee
- Michael Inman, Municipal Trustee
- Debra Nawrocki, Municipal Trustee
- Philip Suess, Municipal Trustee
- Vacant, Illinois Municipal League Trustee

#### **Attendees:**

#### **IPOIF Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Greg Turk, Deputy Chief Investment Officer
- Barbara Meyer, Investment Officer
- Steve Yoon, Investment Officer

- Amy Zick, Senior Accountant
- Matt Roedell, Senior Accountant/Auditor
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist
- Shawn Curry, Manager of External Affairs and Communication

**Others Present:**

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs, Burns, Orlove & Hernandez, LLP
- Tim McEnery, Verus
- Samantha Grant, Verus
- Scott Whalen, Verus
- Sean Crawford, Albourne America LLC
- Bukola Bello, Vision MAI
- Jeffrey Diehl, Adams Street
- Miguel Gonzalo, Adams Street
- Scott White, Adams Street
- John Loverro, Lexington Partners
- Victor Wu, Lexington Partners
- Clark Peterson, Lexington Partners
- Erica Castle, Lexington Partners
- Irwin Loud, Muller and Monroe
- Gregg Walker, Muller and Monroe
- Howard Sanders, Muller and Monroe
- Kevin Leonard, NEPC
- DeAnna Ingram Jones, NEPC
- Tim McCusker, NEPC
- 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 and IPOPIF office meeting room.

## **Board of Trustees**

### 1. Call Meeting to Order and Roll Call

The meeting was called to order by Chairperson Swanlund at 10:07 A.M.

A roll call was conducted. Seven Trustees were present in the meeting room. One (1) Trustee was absent, and one (1) Trustee seat is vacant. A quorum was established with the required number of six (6) Trustees present in the meeting room.

Board of Trustees Roll Call:

Present:

- Paul Swanlund, Chairperson
- Lee Catavu, Vice-Chairperson
- Scott Bowers, Secretary
- Mark Poulos
- Michael Inman
- Phil Suess
- Daniel Hopkins

Absent:

- Debra Nawrocki

Vacant:

- 1 Trustee seat

All individuals present are reflected in the list of attendees.

## 2. Remote Meeting Participation

This item was not addressed.

## **Investments**

### 3. Private Equity Investment Manager- Interviews and Recommendation: Discussion and Potential Action:

Deputy Chief Investment Officer, (DCIO) Greg Turk, and Sean Crawford, Albourne, presented to the Board of Trustees regarding the Private Equity candidate interviews. Three managers were invited to present to the Board of Trustees as finalist candidates in the RFP search for private equity investment manager services.

At 10:17 A.M., John Loverro, Victor Wu, Clark Peterson, and Erica Castle, from Lexington Partners, presented to the Board of Trustees and answered all questions.

At 11:10 A.M., Jeffrey Diehl, Miguel Gonzalo, and Scott White, from Adams Street Partners, presented to the Board of Trustees and answered all questions.

At 11:44 A.M., Irwin Loud, Gregg Walker, and Howard Sanders, from Muller and Monroe/Auldbrass, presented to the Board of Trustees and answered all questions.

DCIO Turk and Mr. Crawford answered all questions. Staff and Albourne will incorporate Board questions, feedback, and guidance to inform final due diligence before the selection of a firm is made at the March 20, 2026, Board of Trustees meeting.

## **Lunch Break**

A motion was made by Trustee Catavu and seconded by Trustee Poulos to recess for lunch at 12:38 P.M.

Motion carried by voice vote:

Ayes- 7

Nayes- 0

Absent- 1

Vacant- 1

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to return to public session.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustees Nawrocki

Vacant- 1

The Board of Trustees returned to public session at 1:15 P.M.

**4. Private Market Strategic Plan Approval: Discussion and Potential Action:**

This item will be discussed at a future Board of Trustees Meeting.

**Investments (cont.)**

**5. Private Infrastructure search request: Discussion and Potential Action:**

CIO Custer and DCIO Turk presented to the Board of Trustees a request to search for private infrastructure investment management services.

Currently, the IPOPIF long-term asset allocation dedicates 3% to Infrastructure; currently the IPOPIF has zero exposure to Infrastructure. Education regarding infrastructure was provided by Albourne/staff at the October 2025 Board of Trustees meeting, with additional documentation and content provided during the Private Markets Strategic Plan discussion in December 2025.

CIO Custer and DCIO Turk answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Catavu to approve a search for private infrastructure investment management services.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustees Nawrocki

Vacant- 1

6. Investment Policy Statement and Strategic Asset Allocation: Discussion and Potential Action:

This item will be discussed at a future Board of Trustees Meeting.

7. Chief Investment Officer Report: Discussion and Potential Action:

CIO Custer briefed the Board of Trustees on the performance, asset allocation, funding and rebalancing, cash flow, and board agenda projections for investments.

CIO Custer answered all questions.

8. Investment Consultant Firm- Interviews and Selection: Discussion and Potential Action:

CIO Custer presented to the Board of Trustees two candidates for consideration of a general investment consultant. Verus and NEPC were previously selected by the Board as finalists and invited to present to the Board of Trustees for the position of general consultant.

Both candidates are viewed as high-caliber and capable of providing the necessary scope of services.

At 1:56 P.M. Scott Whalen, Tim McEnergy, and Samantha Grant, from Verus, presented to the Board of Trustees and answered all questions.

At 2:29 P.M. Kevin Leonard, DeAnna Ingram Jones, and Tim McCusker, NEPC, presented to the Board of Trustees and answered all questions.

The Board discussed the candidates, and CIO Custer answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve the selection of Verus to serve as a General Consultant for a five-year term, beginning May 1, 2026.

Motion carried by roll call vote:

Ayes- Trustees Swanson, Catavu, Bowers, Poulos, Hopkins, Inman, and Suess

Nayes- None

Absent- Trustees Nawrocki

Vacant- 1

### **Administration, Finance, and Operations**

#### **9.- 12. Financial Statements- September, October, November, and December 2025: Discussion and Potential Action:**

Executive Director White and Senior Accountant Zick presented the financial statements for September, October, November, and December 2025 to the Board of Trustees.

Executive Director White and Senior Accountant Zick answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Hopkins to approve financial statements for September, October, November, and December 2025.

Motion carried by roll call vote:

Ayes- Trustees Swanson, Catavu, Bowers, Poulos, Hopkins, Inman, and Suess

Nayes- None

Absent- Trustees Nawrocki

Vacant- 1

#### **13.- 15. Warrants #2026-05, #2026-06, and #2026-07: Discussion and Potential Action:**

Executive Director White and Senior Accountant Zick presented warrants #2026-05, #2026-06, and #2026-07 to the Board of Trustees.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to accept warrants #2026-05, #2026-06, and #2026-07.

Motion carried by roll call vote:

Ayes- Trustees Swanson, Catavu, Bowers, Poulos, Hopkins, Inman, and Suess

Nayes- None

Absent- Trustees Nawrocki

Vacant- 1

16. Resolution 2026-01 Designating Authorized Signers with the Lake Forest Bank & Trust Company, NA: Discussion and Potential Action:

Executive Director White presented Resolution 2026-01 to the Board of Trustees for approval. This Resolution designates certain Fund staff and consultant staff to have access to the banking accounts with Lake Forest Bank & Trust Company. The recent changes in personnel require an update on those with access and administrator privileges.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve Resolution 2026-01 Designating Authorized Signers for the Illinois Police Officers' Pension Investment Fund Account with Lake Forest Bank and Trust Company, NA.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustees Nawrocki, and Inman

Vacant- 1

Trustee Inman left the meeting at 3:27 P.M. Trustee Hopkins left the meeting at 3:28 P.M. and the Board lost a quorum. Trustee Hopkins rejoined the meeting at 3:29 P.M., the Board gained a quorum, and business resumed.

17. Executive Director Report: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on monthly financial and administrative operations.

Monthly fund reports for each participant fund are available on the IPOPIF website from October 2022 to present. The Annual Comprehensive Financial Report has been completed for the years ended June 30, 2025, and 2024.

Agreed Upon Procedures for Article 3 Funds- Tranches 1 & 2 consolidated results are both completed with all information and findings reported to the Illinois Department of Insurance

(IDOI). Tranche 3 reports were received on December 5. The funds have until February 6 to respond to the draft reports. Forty (40) funds were selected for this tranche.

Newsletters were sent to subscribers and posted to the IPOPIF website.

The next Board of Trustees meeting is scheduled for March 20, 2026, at 9:00 a.m. The next Committee meetings are scheduled for March 20, 2026, at 2:00 p.m.

### **Board of Trustees (cont.)**

#### 18.& 19. Board of Trustees Meeting Minutes- October 17, 2025, and December 12, 2025:

##### Discussion and Potential Action:

Executive Director White presented the Board of Trustees meeting minutes from October 17, 2025, and December 12, 2025, to the Board of Trustees for their approval.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve the Board of Trustees Meeting Minutes from both October 17, 2025, and December 12, 2025, as presented.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustees Nawrocki, and Inman

Vacant- 1

#### 20. Approve Committee Assignments: Discussion and Potential Action:

Executive Director White presented Committee assignments for the year 2026 that will be effective as of January 19, 2026, through January 2027.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to approve IPOPIF Committee assignments as presented effective January 19, 2026, through January 2027.

Motion carried by roll call vote:

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

Nayes- Trustee Hopkins

Absent- Trustees Nawrocki, and Inman

Vacant- 1

**21. Strategic Plan- Quarterly Update report: Discussion and Potential Action:**

Executive Director White briefed the Board of Trustees on the status of the Strategic Plan. This quarterly review includes investment goals, governance objectives, management objectives, and strategic relations objectives.

Executive Director White answered all questions.

**22. Approve Bylaws Amendment: Discussion and Potential Action:**

Rick Reimer, General Legal Counsel, presented to the Board of Trustees a proposed revision to the Fund Bylaws. The Fund Bylaws are periodically reviewed to ensure that they remain consistent with Board procedures, policies, and governing laws.

The proposed revision would require that any action concerning the modification of the CIO Employment Agreement would require an affirmative vote of at least six (6) Trustees.

Mr. Reimer answered all questions.

A motion was made by Trustee Suess to approve the revision to By Laws Section 307.

Trustee Suess then withdrew the motion after a second was not received and requested to table the motion until there was greater representation by the municipal members of the Board.

A motion was then made by Trustee Suess and seconded by Trustee Poulos to table the motion to amend the revision to ByLaws Section 307 until the next Board of Trustees meeting.

Motion carried by roll call vote:

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

Nayes- Trustee Hopkins

Absent- Trustees Nawrocki, and Inman

Vacant- 1

Executive Director White proposed to the Board of Trustees scheduling a special Board of Trustees meeting for February 6, 2026, to discuss any/all items that were not covered at this meeting. The Board of Trustees discussed and directed Executive Director White to prepare for it.

23. Chief Investment Officer Employment Agreement contract expiration of May 1, 2026, and extension provisions: Discussion and Potential Action:

This item will be discussed at a future Board of Trustees Meeting.

24. Adjourn to Closed/Executive Session to discuss the appointment, employment, compensation, discipline, performance, or dismissal of the Executive Director or Chief Investment Officer in accordance with 5 ILCS 120/2(c)(1):

This item will be discussed at a future Board of Trustees Meeting.

25. Adjourn to Closed/Executive Session - Review and Release of Minutes: Discussion and Potential Action in accordance with 5 ILCS 120/2(c)(21):

This item will be discussed at a future Board of Trustees Meeting.

26. Public Comment:

The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)). An opportunity for public comment was provided at 4:15 P.M. No comments were heard, and no discussion was provided.

**Adjournment**

Adjournment:

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

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustees Nawrocki

Vacant- 1

Meeting adjourned at 4:15 P.M.

Respectfully submitted by:

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Kate Cobb, Administrative Analyst

Approved by:

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Paul Swanlund, Chairperson, Board of Trustees

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Scott Bowers, Secretary, Board of Trustees

Date Approved by the Board of Trustees: February 6, 2026



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: LEGISLATIVE COMMITTEE MEETING MINUTES  
DATE: FEBRUARY 6, 2026

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**ACTION(S) RECOMMENDED:** Accept Legislative Committee Meeting Minutes of June 13, 2025.

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The Legislative Committee met on January 16, 2026, and unanimously approved the Legislative Committee meeting minutes from the June 13, 2025, meeting and are presented to the Board of Trustees for review and acceptance into the permanent record of the Fund.



## **Illinois Police Officers' Pension Investment Fund**

### **Legislative Committee Meeting Minutes**

**Friday, June 13, 2025**

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

#### **Members of the Legislative Committee:**

- Lee Catavu, Participant Trustee, Chairperson
- Michael Inman, Municipal Trustee
- Mark Poulos, Beneficiary Trustee

#### **Attendees:**

##### **IPOPIF Staff:**

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

##### **Others Present:**

- Vince Mancini, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Bukola Bello, Vision M.A.I. Consulting, (Zoom)

- Members of the Public (Zoom)

## Agenda

All members of the Legislative Committee, 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.

### 1. Call Meeting to Order and Roll Call

The meeting was called to order by Chairperson Catavu at 1:00 P.M.

A roll call was conducted. Three Trustees were present in the meeting room. A quorum was established with the required number of two Trustees present in the meeting room.

Legislative Committee:

Present:

- Lee Catavu, Chairperson
- Michael Inman
- Mark Poulos

All individuals present are reflected in the list of attendees.

### 2. Remote Meeting Participation

The item was not addressed.

### 3. Legislative Committee Meeting Minutes- March 14, 2025: Discussion and Potential Action:

Executive Director White presented the Legislative Committee Meeting Minutes from March 14, 2025, for approval.

Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Poulos to approve the Legislative Committee Meeting Minutes from March 14, 2025.

Motion carried by roll call vote:

Ayes- Trustees Catavu, Inman, and Poulos

Nayes- None

Absent- None

**4. Governmental Liaison Report: Discussion and Potential Action:**

Governmental Liaison Bukola Bello presented the legislative activity report to the Legislative Committee. Ms. Bello referenced the written report provided that included up-to-date information on the 432 bills that passed the General Assembly and other items under consideration in the House and Senate.

Ms. Bello presented an overview of the highlights of the last General Assembly Spring Meeting and answered all questions.

**5. Legislative Platform Considerations: Discussion and Potential Action:**

Executive Director White provided the Legislative Committee with an update report regarding the conclusion of the Illinois General Assembly's 2025 Spring Legislative session, which did not include any legislation that directly impacted the administration, operation, or investments of IPOPIF.

The Legislative Committee was then asked to review the legislative matters that were presented in the Spring Legislative session and discuss the prospect of future legislative proposals, if any, relevant to the Fund as a whole and provide direction for consideration by the Board of Trustees.

A motion was made by Trustee Catavu and seconded by Trustee Poulos to request that the full Board of Trustees: (1) recommend that the Board of Trustees communicate to the Illinois General Assembly that the current governance structure, which includes the composition of the Board of Trustees as a whole, is acceptable to the Fund and is against any changes; (2) to take a position of opposition to any guaranteed interest rate that would be included for a DROP program, and (3) to support the actuarial funding change of 90% funding by the year 2055 (currently 2040) and the use of the Entry Age Normal (EAM) funding formula (currently Projected Unit Credit).

Motion carried by roll call vote:

Ayes- Trustees Catavu, Inman, and Poulos

Nayes- None

Absent- None

Executive Director White answered all questions.

7. Public Comment:

The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)). An opportunity for public comment was provided at 1:21 P.M. No comments were heard, and no discussion was provided.

**Adjournment**

Adjournment:

A motion was made by Trustee Poulos and seconded by Trustee Inman to adjourn the Legislative Committee Meeting.

Motion carried by roll call/ voice vote:

Ayes- Trustees Catavu, Inman, and Poulos

Nayes- None

Absent- None

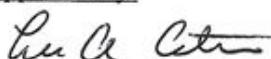
Meeting adjourned at 1:21 P.M.

Respectfully submitted by:



Kate Cobb, Administrative Analyst

Approved by:



Lee Catavu, Chairperson, Legislative Committee

Date Approved by the Legislative Committee: JANUARY 16, 2026



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: IPOIF OMA DESIGNEE AND FOIA OFFICER

DATE: FEBRUARY 6, 2026

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**ACTION(S) RECOMMENDED:** Accept Executive Director White as the Funds' Open Meetings Act (OMA) designee and the Freedom of Information Act (FOIA) officer in accordance with the Pension Code and reflect the designations in the minutes of the meeting.

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### **DISCUSSION:**

As per the Pension Code, the Fund shall designate one or more members of the Fund to serve as the (1) Open Meetings Act designee (5 ILCS 120/1.05) and the (2) Freedom of Information Act officer (5 ILCS 140/3.5).

Executive Director White was previously appointed to these roles by the Board of Trustees and can continue, if so designated, upon approval by the Board of Trustees.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: REVIEW OF CLOSED SESSION MINUTES – 5 ILCS 120/2(C)(21)

DATE: FEBRUARY 6, 2026

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**ACTION(S) RECOMMENDED:** Approve the Closed Session Minutes of the September 12, 2025, meeting and approve the release of these minutes.

---

### DISCUSSION:

The Board of Trustees discussed a matter in Closed Session at the September 12, 2025, meeting and the minutes of this meeting are available for approval.

The Board of Trustees may also consider whether or not to 'release' the approved minutes to the public.

**Note:** The Board of Trustees may enter into Closed Session to discuss this agenda item.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOPIF Board of Trustees

FROM: Richard White, Executive Director

RE: Review and revision of the Bylaws

DATE: February 6, 2026

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#### **ACTION(S) RECOMMENDED:**

- Motion to approve revision to By Laws Section 307.

---

The Fund Bylaws are periodically reviewed to ensure that they remain consistent with Board procedures, policies, and governing laws. The proposed revision to the Bylaws are presented for approval:

- **Section §307 Chief Investment Officer**

The Board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term. The Board may appoint a Chief Investment Officer (CIO). The Chief Investment Officer reports to the Board. The Chief Investment Officer is responsible for leading the management and operations of the Board's investment program. The Chief Investment Officer will work closely with the Executive Director to ensure the operations, management, and strategies of the Board are carried out in accordance with the Investment Policy Statement and other relevant policies and procedures. Any actions concerning the modification of the CIO Employment Agreement shall require an affirmative vote of at least six (6) Trustees.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### Discussion:

The Board of Trustees recently considered an amendment to the employment agreement with the Chief Investment Officer which was approved by the Board of Trustees with an affirmative vote of at least five (5) trustees.

Subsequent question regarding the number of votes required to approve an amendment to the CIO was asked by a member of the Board of Trustees with consideration that the pension code requires an affirmative vote of six trustees to 'select' the chief investment officer.

At the request of a Board member, an amendment to the Bylaws is presented which states that modification to the Chief Investment Officers' employment agreement will require an affirmative vote of at least six (6) trustees.

This item was considered at the January 16, 2026, meeting of the Board of Trustees and a motion to table this item was approved. The item is presented at this meeting for consideration by the Board of Trustees.

There are no additional recommended amendments to the existing Bylaws, currently.

**Amendments to the Bylaws require the affirmative vote of at least six (6) Trustees to be adopted.**



**Illinois Police Officers'  
Pension Investment Fund**

## **IPOPIF By-Laws**

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### **PART 1 GENERAL PROVISIONS**

#### **§101 Purpose**

The purpose of the By-Laws adopted by the Board of Trustees of the Illinois Police Officers' Pension Investment Fund (IPOPIF) (hereinafter "the Board") established under Article 22B of the Illinois Pension Code, is to establish uniform procedures for conducting meetings, establishment of committees, election of officers, and running the day-to-day business of the Board.

#### **§102 Definitions**

As used in these By-Laws, the terms set forth below shall have the following definitions and meanings, except when the context of the Bylaw specifies and requires a different meaning:

Definition of Fund: The term "Pension Fund" or "IPOPIF" shall refer to the Illinois Police Officers' Pension Investment Fund created by 40 ILCS 5/22B-101 *et seq.*

Definition of Board: The term "Board" or "Pension Board" shall refer to the Board of Trustees of the Fund created by 40 ILCS 5/22B-115(a), unless otherwise stated.

Definition of Participant: The term "participant(s)" shall refer to an active police officer participating in an Article 3 Pension Fund.

Definition of Beneficiary: The term "beneficiary(ies)" shall refer to a retired pensioner, disabled pensioner, surviving spouse, minor children, disabled children, and dependent parents receiving benefits from an Article 3 Pension Fund. If a special need trust as described in Section 1396p(d)(4) of Title 42 of the United States Code, as amended from time to time, has been established for a disabled adult child, then the special needs trust may stand in lieu of the disabled adult child as a beneficiary for the purposes of this Article.



**Illinois Police Officers'  
Pension Investment Fund**

## **IPOPIF By-Laws**

### **PART II ADMINISTRATION**

#### **§201 Composition of the Board**

The Board shall consist of nine (9) Trustees as set forth in §5/22B-115(a) of the Illinois Pension Code.

The Board of Trustees shall consist of nine (9) members as follows:

- (1) Three (3) members who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities that have participating pension funds and are elected by the mayors and presidents of municipalities that have participating pension funds.
- (2) Three (3) members who are participants of participating pension funds and are elected by the participants of participating pension funds.
- (3) Two (2) members who are beneficiaries of participating pension funds and are elected by the beneficiaries of participating pension funds.
- (4) One member recommended by the Illinois Municipal League who shall be appointed by the Governor, with the advice and consent of the Senate.

The Board of Trustees shall select the Chairperson, Vice Chairperson and Secretary of the Permanent Board of Trustees from among the Trustees for a term of two (2) years. The holder of the Office of Chairperson shall alternate between a person elected or appointed under item (1) or (4) of this section and a person elected under item (2) or (3) of this section.

#### **§202 Compensation**

Trustees may not receive any compensation for services performed as Trustees but may be reimbursed for travel expenses incurred while on business for the Board, consistent with policies and procedures established by the Board.



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**§203 Meetings**

- a) The Board shall hold at least four (4) quarterly meetings each calendar year. The Board will schedule the meetings for the following year, at its fourth quarterly meeting.
- b) The Board may agree to hold additional meetings as necessary for the prudent and efficient administration of the affairs and activities of the Pension Fund, at the request of the Chairperson or at least three (3) other Trustees.
- c) All meetings and notices shall be held in accordance with the Open Meetings Act, 5 ILCS 120/1 *et seq.*

**§204 Emergency/Special Meetings**

- a) The Chairperson or at least three (3) other Trustees may call special meetings.
- b) In the event of a *bona fide* emergency, upon reasonable notice to all of the Board Trustees, an emergency meeting may be held with less than forty-eight (48) hours' notice. The Chairperson, or at least three (3) other Board Trustee may request an emergency meeting by serving written notice upon all other Trustees as soon as practicable, prior to the date and time of the emergency meeting.
- c) For purposes of this Section, a "*bona fide* emergency" shall mean an unforeseen combination of circumstances or the resulting state which calls for immediate action.

**§205 Annual Meeting**

The Annual Meeting of the Board shall be the first regular meeting held in the calendar year, unless otherwise agreed upon by the Board.

**§206 Open Meetings**

- a) All Board and committee meetings are open to the public, except for those matters lawfully conducted in closed session.
- b) Any person shall be permitted to address the Board during the public comment portion of the meeting, not to exceed three (3) minutes per person.



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**§207 Order of Business**

All meetings of the Board shall be conducted under a properly posted Agenda. Business will be transacted in the order posted on the agenda unless the Chairperson directs otherwise. Any Trustee may place a matter on the agenda.

**§208 Quorum**

- a) A quorum of the Board shall consist of six (6) Trustees. The approval of all Board business shall require the affirmative vote of at least five (5) Trustees at any given meeting, except.
- b) The following actions shall require the affirmative vote of at least six (6) Trustees: the adoption of actuarial assumptions; the selection of a chief investment officer; fiduciary counsel; of a consultant defined under Section 1-101.5 of the Illinois Pension Code; the adoption of rules for the election of trustees; and the adoption of asset allocation policies and investment policies.

**§209 Remote Attendance**

- a) 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; (3) a family or other emergency, or (4) unexpected childcare obligations. 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.
- b) Notwithstanding the foregoing, if the conditions of Section 7(e) of the Open Meetings Act are met, then Trustees may attend a Board or Committee meeting by audio, video, or internet conferencing without the requirement that there be a physical presence of a quorum.

**§210 Fiscal Year**

The Fiscal Year shall date from July 1 of one year to June 30 of the year next following.



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**§211 Audits and Reports**

At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the Board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. An annual report shall be presented by the Board for submission to the participating pension funds and to the Department of Insurance within six (6) months after the close of each fiscal year.

**PART III BOARD OFFICERS, EMPLOYEES, AND VENDORS**

**§301 Officers**

The Officers of the Permanent Board shall be the Chairperson, Vice-Chairperson, and Secretary.

The Officers shall serve two-year terms of office.

**§302 Duties of the Chairperson**

The Chairperson shall preside over all functions and duties of the Board, unless such functions or duties are specifically delegated to other Trustees, employees, or agents of the Board. The Chairperson shall preside over all meetings of the Board and may execute all orders, certificates, and other documents necessary to carry out the affairs and activities of the Board.

**§303 Duties of the Vice-Chairperson**

The Vice-Chairperson shall perform the functions and duties of the Chairperson during any vacancy in that office or during any such time the Chairperson is unable to perform his or her duties. The Vice-Chairperson shall serve as Chairperson at any meeting of the Board in the absence of the Chairperson.

**§304 Duties of the Secretary**

The Secretary shall perform the following duties and functions: (1) be the custodian of all Board records, minutes of the meetings, and documentation; (2) record the minutes of all regular, special, and emergency meetings of the Board; (3) execute any and all documents on behalf of the Board; (4) certify the authenticity of all resolutions or documents of the Board; and (5) perform all



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other duties necessary to the administration of the Board. The Board may retain an independent contractor/vendor to perform some or all of these duties.

### **§305 Section Removed.**

### **§306 Executive Director**

The operation and administration of the Fund shall be managed by an Executive Director. The Executive Director shall act subject to and under the supervision of the Board. The Board shall fix the compensation of the Executive Director. The Executive Director and personnel of the Board shall prepare agendas, materials, and required postings for the meetings of the Board. With the approval of the Board, the Executive Director may employ such personnel, professional or clerical, as may be desirable, and fix their compensation. The Executive Director may execute all orders, certificates, and other documents necessary to carry out the affairs of the Fund as directed by the Board. The Executive Director shall perform such duties and responsibilities as the Board establishes in its Rules. The Board shall adopt a budget to support its operations and administration.

### **§307 Chief Investment Officer**

The Board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term. The Board may appoint a Chief Investment Officer (CIO). The Chief Investment Officer reports to the Board. The Chief Investment Officer is responsible for leading the management and operations of the Board's investment program. The Chief Investment Officer will work closely with the Executive Director to ensure the operations, management, and strategies of the Board are carried out in accordance with the Investment Policy Statement and other relevant policies and procedures. Any actions concerning the modification of the CIO Employment Agreement shall require an affirmative vote of at least six (6) Trustees.

### **§308 Election of Officers**

The Board shall have a Chairperson, a Vice-Chairperson, and a Secretary, each of whom shall be elected at the annual meeting. Officers shall serve two-year terms.



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### **§309 Committees of the Board**

The Board may from time to time create one or more committees. The Board shall appoint Trustees to serve on a committee. Each committee shall have at least three (3) Trustees. Each committee shall have at least one (1) member appointed from the active or beneficiary Trustees, at least one (1) Trustee appointed from the municipal Trustees, and at least one (1) Trustee appointed by the Chairperson. A majority of members shall constitute a quorum. The Chairperson shall designate one of the Committee members to serve as the Committee Chairperson and may appoint one (1) or more subject matter experts, or the Executive Director, to a committee, but those appointees shall not have any voting rights. The committee shall make recommendations to the full Board. Each member of a committee shall continue to serve until the next Annual Meeting and may be reappointed to additional terms. The Board shall establish the following standing committees, the Election Committee, and the Audit and Budget Committee. Special committees may be established from time to time as determined necessary by the Board.

### **§310 Contractors/Vendors**

The Board may, in its discretion, retain independent contractors/vendors to carry out certain duties and functions of the Board. The duties of any such independent contractors/vendors and their compensation will be established in writing and reflected in the minutes of the Board meeting approving the relationship. All independent contractors/vendors will be retained on an at-will basis.

## **PART IV CONFLICTS OF INTEREST**

### **§401 Conflicts of Interest and Ethics**

No Trustee shall engage in any transaction or vote in any matter in which the Trustee shall receive any direct or indirect personal gain. However, (1) this shall not prohibit a Trustee from receiving any benefit to which the Trustee may be entitled as a participant or beneficiary in a retirement system or pension fund or (2) serving as a Trustee in addition to being an officer, employee, agent, or other representative of a "party in interest" as defined in §5/1-110(a) of the Pension Code.



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### **§402 Disclosure of Conflicts**

Prior to voting on any matter in which a Trustee would reasonably believe a conflict of interest exists, the Trustee shall publicly announce the conflict and refrain from voting. The conflict statement required by law shall be recorded in the minutes of the Board meeting. In determining whether a conflict exists, Trustees shall in all actions endeavor to avoid the appearance of impropriety.

### **PART V ELECTRONIC SIGNATURE**

#### **§501 Electronic Signature**

Electronic Documents and Electronic Signatures.

- a) **Electronic Documents.** To the extent permitted by law including the Electronic Commerce Security Act (5 ILCS 175) and/or Executive Order, whenever these By-Laws require that a document, record, or instrument be "written" or "in writing," the requirement is deemed satisfied by an Electronic Record. "Electronic record" means a record generated, communicated, received, or stored by electronic means for use in an information system or for transmission from one information system to another.
- b) **Electronic Signatures.** To the extent permitted by law including the Electronic Commerce Security Act (5 ILCS 175) and/or Executive Order, whenever these By-Laws require a signature, an Electronic Signature satisfies these requirements only if: (i) the signature is easily recognizable as a Secure Electronic Signature, as defined by 5 ILCS 175/10-110, that is (a) capable of verification, (b) under the sole control of the signatory, and (c) attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (ii) the Board reasonably believes that the signatory affixed the signature with the intent to sign the Electronic Document, and the Electronic Document has not been modified since the signature was affixed. An "Electronic Signature" means a signature in electronic form attached to or logically associated with an electronic record and includes a facsimile signature.



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c) **Verification.** The Board may verify any Electronic Signature or Document using a qualified security procedure. A qualified security procedure for purposes of this section is a security procedure to detect changes in the content of an electronic record that is previously agreed to by the parties. Pending verification, the Board may refuse to accept any Electronic Signature or Document that, in the Board's sole discretion, is not clearly authentic. Once verified, the Board shall not be liable to any member or any other person for accepting or acting in reliance upon an Electronic Signature or Document that the Board reasonably believes to be authentic.

### **PART VI POLICIES AND PROCEDURES**

#### **Policies and Procedures**

**§601** The Board may adopt other policies and procedure as determined necessary by the Board.



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### **PART VII AMENDMENTS**

#### **§701 Amendments**

These By-Laws may be amended from time to time and shall require the affirmative vote of at least six (6) Trustees to be adopted.

The By-Laws were amended by the Board of Trustees on February 26, 2021. (Sections 201, 301 and 308)

The By-Laws were amended by the Board of Trustees on July 23, 2021, by adding Section 209 (Remote Attendance).

The By-Laws were amended by the Board of Trustees on April 14, 2023, by amending Section 305 (Duties of the Treasurer); by amending Section 309 (Committees of the Board).

The By-Laws were amended by the Board of Trustees on March 8, 2024, by amending Section 309 (Committees of the Board). Section 305 (Treasurer) and references to Treasurer were deleted. Section 209 (Remote Attendance) was amended by adding "unexpected childcare obligations".



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RICHARD REIMER, GENERAL LEGAL COUNSEL  
RE: CHIEF INVESTMENT OFFICER EMPLOYMENT AGREEMENT  
DATE: FEBRUARY 6, 2026

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**ACTION(S) RECOMMENDED:** As necessary.

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**DISCUSSION:**

The Employment Agreement with Chief Investment Officer Kent Custer was made as of April 20, 2023, for a period of three years commencing on May 1, 2023, and continuing until April 30, 2026.

Under the terms of the agreement, the employment term shall be extended automatically for successive one (1) year terms unless, at least sixty (60) days prior to expiration of the employment term, IPOPIF or Employee gives written notice that the IPOPIF or Employee does not wish to renew the Agreement.

The employment agreement is under consideration by the Board of Trustees at this meeting to ensure that the sixty-day notice period is complied with.

The matter may be discussed in Closed/Executive Session in accordance with 5 ILCS 120/2(c)(1).

## **ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**

### **POLICY AND PROCEDURE**

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**POLICY NUMBER:** PP-2020-12

**SUBJECT:** CHIEF INVESTMENT OFFICER JOB DESCRIPTION

**EFFECTIVE DATE:** NOVEMBER 13, 2020

**AMENDED:** OCTOBER 13, 2023

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#### **INDEX:**

SECTION A: INTRODUCTION

SECTION B: DUTIES AND RESPONSIBILITIES

SECTION C: POLICY REVIEW

---

#### **A. INTRODUCTION**

1. The Chief Investment Officer (CIO) is appointed by and reports to the Board of Trustees.
2. The CIO is responsible for leading the management and operation of the IPOPIF investment operation.
3. The CIO will work with the IPOPIF Board of Trustees (Board) on investment-related matters and will carry out all his or her duties and responsibilities under their direction.
4. The Chief Investment Officer will work closely with the Executive Director to ensure the investment operations are carried out.

## **B. DUTIES AND RESPONSIBILITIES OF THE CIO**

1. Leadership, Strategy and Analysis
  - a. Formulate and recommend to the Board: an investment philosophy describing the fundamental principles underlying the investment program; the investment policies and strategies required to achieve the investment goals; the guidelines and procedures for the invested asset classes to manage portfolio risk; the decision-making process to ensure disciplined outcomes and the independent measurement of performance.
  - b. Responsible for the strategic direction of the investment function, including ongoing assessment of the investment structure, objectives, policy asset allocation, risk parameters, and performance benchmarks consistent with Board Guidance the Illinois Police Officers' Pension Investment Fund's mission, vision, and strategic plan.
  - c. Establish, review, recommend and modify strategic asset allocation in collaboration with the Investment Consultant and the Board of Trustees.
  - d. Work collaboratively with participating pension plans to ensure that the investment fund maintains adequate liquidity to meet the needs of constituent plans and their beneficiaries.
  - e. Lead the IPOPIF investment program and staff to implement Board approved policies, strategies, guidelines, and mandates to achieve investment goals and objectives.
  - f. Oversee the overall administration of investment operations to ensure the smooth implementation of strategic goals and objectives of the investment program.

2. Investment Management

- a. Recommend to the Board a written statement of Investment Policy.
- b. Develop and implement policies, strategies, portfolio structures and guidelines necessary for the effective implementation of the investment strategies in accordance with the Board's approved policies.
- c. Perform on-going review of investment policies, strategies and portfolio guidelines and make recommendations for any changes, as needed.
- d. Ensure portfolio rebalancing and portfolio transitions in accordance with the Board approved Investment Policy Statement.
- e. Recommend to the Board, for approval, the appointment of the following core service providers as needed to implement the objectives and policies of the plan:
  - i. The general plan consultant and specialty consultants, as required.
  - ii. The custodian.
  - iii. Investment managers, including transition managers.
  - iv. Securities lending managers.
  - v. Proxy-voting advisors.
  - vi. Prime brokers as required.
  - vii. Outside legal counsel for contracting, as required.
  - viii. Structure and reporting specialists as required to create and provide operational or administrative support in implementing the Investment and Governance Policies approved by the Board; and
  - ix. Other service providers determined by the Board.
- f. Recommend investment manager search and selection in accordance with the Procurement of Investment Services Policy.
- g. Monitor investment managers in accordance with the Investment Policy statement, including identifying managers of concern and recommendations to the Board.
- h. Oversee and coordinate the analysis of IPOPIF investment portfolios.
- i. Oversee investment consultants, investment managers, custodian, and other service providers to ensure the successful administration of the investment program.

- j. Identify and analyze trends which could have significant implications on the investment program and make recommendations to address such issues.

3. Monitoring and Reporting

- a. Provide the Board with relevant and timely information of all significant issues to enable them to carry out their fiduciary responsibilities.
- b. Monitor and report to the Board in accordance with policy the investment performance and risk levels of the investment program, the component asset classes and the individual portfolios.
- c. Monitor compliance with Board approved policies and all applicable laws and regulations.
- d. Monitor the investment program operations to ensure their efficiency and cost-effectiveness and provide the Board with an annual report of total plan investment expenses including management fees and expenses, operating costs, and manager incentive fees.
- e. Ensure that all necessary investment manager due diligence is being performed in accordance with Board approved policies.
- f. Provide periodic reporting in accordance with Board policies to the participating police pension funds.

4. Administration

- a. Develop and recommend to the Board an annual investment program budget, strategic plan, and any necessary updates.
- b. Negotiate fees, expenses, structures, fee netting, strategic relationship agreements and other contractual terms involving investment managers and other investment-related service providers.
- c. Coordinate with Legal Fiduciary Counsel on investment agreements, contracts, and other legal matters.
- d. Authorize payments for investment services consistent with applicable contracts.
- e. Maintain records related to the investment division and assets in an accessible format.

5. Governance

- a. Assist the Audit Committee in coordinating the annual financial audit as related to investment matters.
- b. Provide the Board with investment education and training as necessary to promote sound investment decisions.
- c. Oversee the preparation of investment related agenda items for the Board and its committees.

6. Human Resources

- a. Manage and supervise the investment staff.
- b. Assess the resource needs of the investment operation.
- c. Coordinate with the Executive Director to hire, manage and terminate investment staff.
- d. Ensure the training and development of investment staff.

7. Emergency Authority

- a. In emergency situations, the Executive Director, in conjunction with the Chief Investment Officer, after making reasonable attempts to contact the Board Chair and Vice Chair, will have the authority to act on matters not expressly stated within other Board Policy provided that:
- b. The action is in the judgement of the Executive Director and Chief Investment Officer necessary to protect the Fund, its employees, the Fund's administrative, financial or investment trust fund assets from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board; and
- c. The emergency action taken, and the reasons why are promptly reported to the Board Chairperson, Vice Chairperson, and the full Board of Trustees.
- d. This policy is not intended to address situations solely related to the investment trust fund and financial markets. In these situations, or conditions of financial market turmoil, the Chief Investment Officer would have the sole emergency authority.

**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 originally adopted by the Board on November 13, 2020. The dates of subsequent reviews and adoption shall be recorded below.
5. This policy was revised and adopted on October 13, 2023.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RICHARD REIMER, GENERAL LEGAL COUNSEL

RE: EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT

DATE: FEBRUARY 6, 2026

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**ACTION(S) RECOMMENDED:** As necessary.

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#### **DISCUSSION:**

The Employment Agreement with Executive Director Richard White was made as of October 29, 2021, for a period of five years commencing on June 1, 2021, and continuing until May 31, 2026.

Under the terms of the agreement, the employment term shall be extended automatically for successive one (1) year terms unless, at least sixty (60) days prior to expiration of the employment term, IPOPIF or Employee gives written notice that the IPOPIF or Employee does not wish to renew the Agreement.

The employment agreement is under consideration by the Board of Trustees at this meeting to ensure that the sixty-day notice period is complied with.

The matter may be discussed in Closed/Executive Session in accordance with 5 ILCS 120/2(c)(1).

## **ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND POLICY AND PROCEDURE**

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**POLICY NUMBER:** **PP-2020-02**

**SUBJECT:** **EXECUTIVE DIRECTOR JOB DESCRIPTION**

**EFFECTIVE DATE:** **JULY 10, 2020**

**AMENDED:** **OCTOBER 13, 2023**

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### **INDEX:**

**SECTION A:** **INTRODUCTION**

**SECTION B:** **DUTIES AND RESPONSIBILITIES**

- Leadership and Policy Analysis
- Governance
- Operations
- Finance, Actuarial and Accounting
- Human Resources
- Legal
- Communications
- Monitoring and Reporting
- Emergency Authority

**SECTION C:** **POLICY REVIEW**

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### **A. INTRODUCTION**

1. The “operation and administration of the Fund shall be managed by an executive director” who shall be appointed by the Board of Trustees, as provided for under Section 22B-118 of the Illinois Pension Code.
2. The Executive Director of the Illinois Police Officer Pension Investment Fund (IL POPIF) “with approval of the board, the executive director may employ such personnel, professional or clerical, as may be desirable and fix their compensation” as provided for under Section 22B-118 of the Code.

## **B. DUTIES AND RESPONSIBILITIES**

### *Leadership and Policy Analysis:*

1. The Executive Director (ED) plans, coordinates, and manages the daily operation of the administrative organization through the staff and contract service providers in accordance with policies and procedures established by the Board.
  - a. In doing so, the ED will solicit advice and counsel from the Board, the Board Chair, or individual Board members, as appropriate.
  - b. The ED will work closely with the Chief Investment Officer to ensure the investment operations and investment strategies are carried out.
  - c. The ED will assist the Board of Trustees and the Executive Team in the development, monitoring and implementation of the Strategic Plan.

### *Governance:*

1. Assists the Board in implementing its governance By-Laws, Policies and Procedures.
2. Oversee the preparation of the Board agendas and materials and required postings for meetings of the Board.

### *Operations:*

1. The Executive Director will:
  - a. Recommend to the Board, as appropriate, administrative related policies designed to help ensure effective operations;
  - b. Recommend to the Board a strategic plan and business plan and updates to the plan as necessary;
  - c. Recommend the Annual Budget to the Board;
  - d. Execute contractual agreements in accordance with Board policy;
  - e. Authorize payments related to the administration of IPOPIF in a manner consistent with Board policy and procedures.
  - f. Recommend to the Board the appropriate design, acquisition, implementation, and maintenance of all administrative technological systems;
  - g. Maintain the administrative records of IPOPIF in a permanent and readily accessible format and in accordance with Board policy;
  - h. Maintain an effective working relationship with stakeholders, municipal and legislative bodies, media, and interested parties.

*Finance, Actuarial and Accounting:*

2. The Executive Director will:
  - a. Recommend to the Board as appropriate, financial and accounting policies;
  - b. Implement appropriate internal financial controls to safeguard the physical and financial assets of IPOPIF;
  - c. Coordinate the annual financial audits;
  - d. Coordinate the actuarial valuation, actuarial audits and other actuarial policies;
  - e. Cause to be prepared an annual comprehensive financial report on the operations of IPOPIF for Board approval;

*Human Resources:*

1. The Executive Director will:
  - a. Assess the administrative human resource needs of IPOPIF, establish and implement appropriate human resources programs and procedures, and compensation policies of the Board;
  - b. Ensure appropriate training for IPOPIF administrative staff.
  - c. Ensure an appropriate performance evaluation process is implemented for team members.

*Legal:*

1. The Executive Director will:
  - a. In consultation with legal counsel, provide recommendations to the Board concerning the initiation and settlement of litigation involving IPOPIF;
  - b. Oversee the development and implementation of plans to comply with newly enacted legislation and court rulings, as applicable.

*Communications:*

1. The Executive Director will:
  - a. Ensure effective and timely communications with stakeholders on matters relating to the administration of IPOPIF.
  - b. In situations that call for an official spokesperson to speak on behalf of IPOPIF, jointly determine with the Board Chair, on an issue-by-issue basis, who will act in such capacity.

*Monitoring and Reporting:*

1. The Executive Director, in conjunction with the Chief Investment Officer, will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight and fiduciary responsibilities.
2. The Executive Director will:
  - a. Oversee the regular review of all administrative policies of IPOPIF to ensure they are being followed and continue to meet IPOPIF needs;
  - b. Oversee management's response to the findings of the annual financial audit, and of any internal audits that may be performed;
  - c. Oversee administrative employees and service providers of IPOPIF to ensure compliance with the IPOPIF policies;

*Emergency Authority:*

1. In emergency situations, the Executive Director, in conjunction with the Chief Investment Officer, after making reasonable attempts to contact the Board Chair and Vice Chair, will have the authority to act on matters not expressly stated within other Board Policy provided that:
  - a. The action is in the judgement of the Executive Director and Chief Investment Officer necessary to protect the Fund, its employees, the Fund's administrative, financial or investment trust fund assets from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board; and
  - b. The emergency action taken, and the reasons why are promptly reported to the Board Chairperson, Vice Chairperson and the full Board of Trustees.
  - c. This policy is not intended to address situations solely related to the investment trust fund and financial markets. In these situations, or conditions of financial market turmoil, the Chief Investment Officer would have the sole emergency authority.

### **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 on July 10, 2020.
5. This policy was revised and approved by the Board of Trustees on October 13, 2023.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

**TO:** **IPOPIF BOARD OF TRUSTEES**

**FROM:** **RICHARD WHITE, EXECUTIVE DIRECTOR**

**RE:** **PERFORMANCE EVALUATIONS AND CLOSED SESSION ITEM**

**DATE:** **FEBRUARY 6, 2026**

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The annual performance evaluations for Executive Director White and Chief Investment Officer Custer are to be considered by the Board of Trustees. Should the Board of Trustees desire to enter into Closed Session, the following motion is suggested for Board action to enter into Closed Session:

**ITEM 13: CLOSED SESSION MOTION:**

A motion was made by Trustee \_\_\_\_\_ and seconded by Trustee \_\_\_\_\_ to enter into closed session at \_\_\_\_\_ AM/PM in accordance with 5 ILCS 120/2(c)(1) to discuss the appointment, employment, compensation, discipline, performance, or dismissal of the Executive Director or Chief Investment Officer.

The materials will be provided to the Board of Trustees under separate cover.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

**TO:** **IPOPIF BOARD OF TRUSTEES**

**FROM:** **RICHARD WHITE, EXECUTIVE DIRECTOR**

**RE:** **REPORT ON ACTIONS TAKEN IN CLOSED SESSION (If NECESSARY)**

**DATE:** **FEBRUARY 6, 2026**

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In accordance with the Open Meetings Act, a report on actions taken in closed session will be provided in open session after the Board of Trustees have entered Closed Session.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES

FROM: RICHARD WHITE, EXECUTIVE DIRECTOR

RE: PUBLIC COMMENTS

DATE: FEBRUARY 6, 2026

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**RECOMMENDED ACTION(S):** Receive public comments.

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The Open Meetings Act (OMA) states that any person must be permitted an opportunity to address public officials under the rules established and recorded by the public body. (5 ILCS 120/2.06(g)).

The opportunity for public comments will be provided for during this meeting in accordance with the OMA.