



# Illinois Police Officers' Pension Investment Fund

## Board of Trustees Meeting- January 16, 2026

Notice is hereby given that the Board of Trustees of the Illinois Police Officers' Pension Investment Fund will conduct a regular meeting on Friday, January 16, 2026 at 10:00 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](https://www.zoom.us)

Meeting ID: 897 7627 9458

Passcode: 801474

Join Zoom Meeting via Dial-In:

Dial In: (312) 626-6799

Meeting ID: 897 7627 9458

Passcode: 801474

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

January 16, 2026 10:00 AM Central Time (US and Canada)

Agenda Topic	Page
Board of Trustees	
1. <a href="#"><u>Call Meeting to Order and Roll Call</u></a>	
2. <a href="#"><u>Remote Meeting Participation: Discussion and Potential Action (If necessary)</u></a>	
Investments	
3. <a href="#"><u>Private Equity Investment Manager- Interviews and Recommendation: Discussion and Potential Action</u></a>	
4. <a href="#"><u>Private Market Strategic Plan Approval: Discussion and Potential Action</u></a>	
5. <a href="#"><u>Private Infrastructure search request: Discussion and Potential Action</u></a>	
Lunch	

Investments (Continued)

6. [Investment Policy Statement and Strategic Asset Allocation: Discussion and Potential Action](#)
7. [Chief Investment Officer Report: Discussion and Potential Action](#)
8. [Investment Consultant Firm- Interviews and Selection: Discussion and Potential Action](#)

Administration, Finance, and Operations

9. [Financial Statement – September 2025: Discussion and Potential Action](#)
10. [Financial Statement – October 2025: Discussion and Potential Action](#)
11. [Financial Statement – November 2025: Discussion and Potential Action](#)
12. [Financial Statement – December 2025: Discussion and Potential Action](#)
13. [Warrant # 2026-05: Discussion and Potential Action](#)
14. [Warrant # 2026-06: Discussion and Potential Action](#)
15. [Warrant # 2026-07: Discussion and Potential Action](#)
16. [Resolution 2026-01 Designating Authorized Signers with the Lake Forest Bank & Trust Company, NA: Discussion and Potential Action](#)
17. [Executive Director Report: Discussion and Potential Action](#)

Board of Trustees (Continued)

18. [Board of Trustees Meeting Minutes – October 17, 2025: Discussion and Potential Action](#)
19. [Board of Trustees Meeting Minutes – December 12, 2025: Discussion and Potential Action](#)
20. [Approve Committee Assignments: Discussion and Potential Action](#)
21. [Strategic Plan-Quarterly Update Report: Discussion and Potential Action](#)
22. [Approve Bylaws Amendment: Discussion and Potential Action](#)
23. [Chief Investment Officer Employment Agreement contract expiration of May 1, 2026, and extension provisions: Discussion and Potential Action](#)
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\(c\)\(1\)](#)
25. [Adjourn to Closed/Executive Session - Review and Release of Minutes: Discussion and Potential Action in accordance with 5 ILCS 120/2\(c\)\(21\)](#)
26. [Report on Actions Taken in Closed Session \(if necessary\)](#)

27. 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, JANUARY 16, 2026**

### A. CALL MEETING TO ORDER

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

### B. ROLL CALL OF TRUSTEES

TRUSTEE	PRESENT	ABSENT
<b>BOWERS</b>		
<b>CATAVU</b>		
<b>HOPKINS</b>		
<b>INMAN</b>		
<b>NAWROCKI</b>		
<b>POULOS</b>		
<b>SUESS</b>		
<b>SWANLUND</b>		
<b>VACANT</b>		

### C. ADJOURNMENT

THE REGULAR 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: JANUARY 16, 2026

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**RECOMMENDATION:** Motion to allow Trustee \_\_\_\_\_ to participate in the January 16, 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

## Private Equity Search Finalist Interviews January 16, 2026

Three managers have been invited to present to the IPOPIF Board of Trustees as finalist candidates in the RFP search for private equity investment manager services. Staff and Albourne are requesting Board guidance and feedback to inform final due diligence prior to Board selection at the March 20, 2026, Board of Trustees Meeting.



**Illinois Police Officers'  
Pension Investment Fund**

Peoria, IL  
[www.ipopif.org](http://www.ipopif.org)

**MEMORANDUM**

DATE: January 9, 2026  
TO: IPOPIF Board of Trustees  
FROM: Greg Turk, Deputy Chief Investment Officer  
SUBJECT: Private Equity Interview Schedule and Agenda

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Following is the schedule for the Private Equity Finalist interviews:

<b>Start</b>	<b>Manager</b>
10:00 AM	Lexington
10:30 AM	Adams Street
11:00 AM	Muller & Monroe

Each manager will have a total of 25 minutes for their presentation and Trustee questions.

Suggested Agenda:

- Organization/Team
- Performance/Track Record
- Case Studies/Existing Customized Client Examples
- IPOPIF Proposed Strategy

(note that questions may be interactive and do not have to be held to the presentation end)



# Illinois Police Officers' Pension Investment Fund

## Approval of Private Markets Investment Strategic Plan and Objectives

January 16, 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

Implementation		Monitoring	
Planning Phase	Design Phase	Investment Phase	Maintenance Phase
May - June 2025	June - August 2025	September+ 2025	
<ul style="list-style-type: none"> <li>Consider Investment Policy Guidelines Revisions (Element 1-1) (EOY)</li> <li>Work with Staff &amp; Board to review or establish objectives (Element 1-1)</li> <li>Consider integration with other asset classes (Element 1-2)</li> <li>Determine benchmarks (Element 1-3)</li> <li>Assess appropriate investment vehicles for each strategy (primary, fund of funds, secondaries, etc.) (Element 1-4)</li> <li>Review any customization or special due diligence requirements (Element 1-5)</li> <li>Review process, systems and administration (Element 1-6)</li> <li>Asset Class Characteristics &amp; One-Page Snapshots (Element 1-1)</li> </ul>	<ul style="list-style-type: none"> <li>Review Asset Allocation (5A) (Element 2-1)</li> <li>Private Equity/ Private Credit Strategic Review and Portfolio Design (Element 1-1, 2-2)</li> <li>Real Estate / Real Asset Strategic Review and Portfolio Design (Element 2-5)</li> <li>Develop cash flow and investment pacing plans, to include balanced vintage year diversification (Cash Flow Model Pacing Tool) (Element 2-2)</li> <li>Recommend strategy mix (Element 2-3, 2-4)</li> </ul>	<ul style="list-style-type: none"> <li>Recommend due diligence priorities</li> <li>Map onto forward planning calendar</li> <li>Map out potential mandate implementation options</li> <li>Proactive relationship building</li> <li>Due diligence (IDD, ODD, LDD)</li> <li>Investment recommendation</li> <li>Provide internal or external advisors with business assistance on side letters and guidance on terms</li> <li>Project manage execution of investment program</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio and fund level reporting</li> <li>Assess performance against benchmarks (medium-long term)</li> <li>Advise on potential secondary sales and purchases</li> <li>Regular forward calendar review</li> <li>Periodically refresh private markets exposure model and asset allocation</li> </ul>



## Planning Phase



# Planning Phase

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

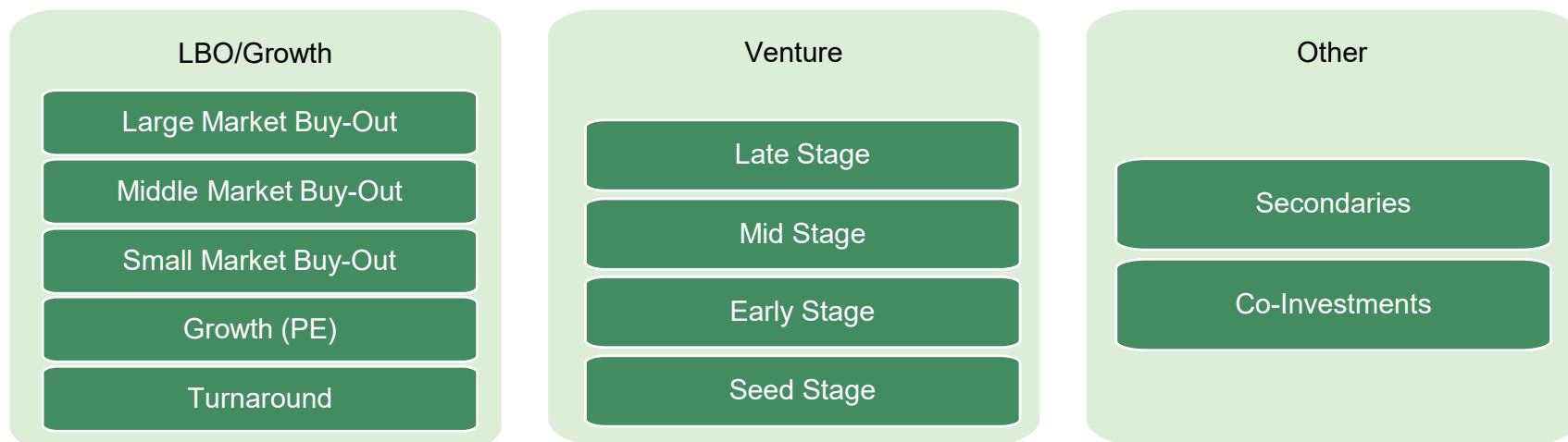
### Private Equity

#### 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

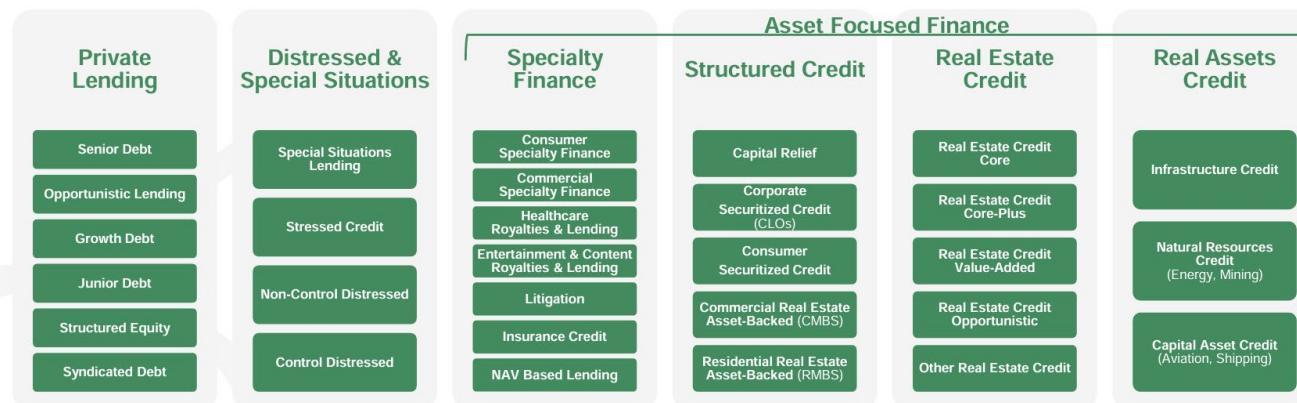
### Private Credit

#### 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

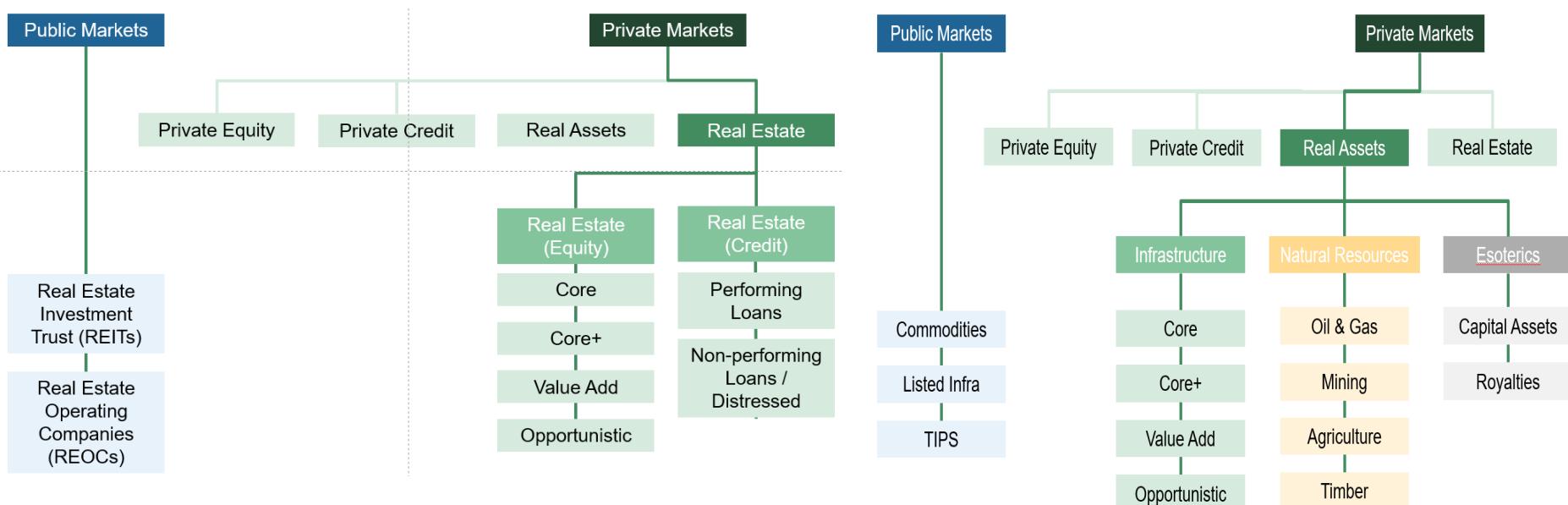


# Planning Phase

## 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

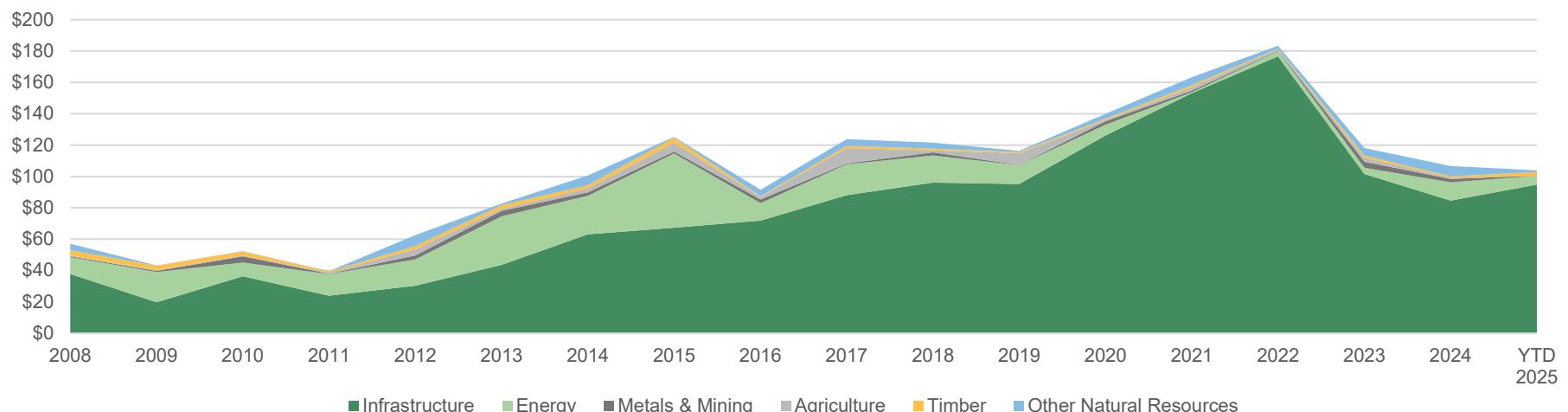




# Planning Phase

## 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>



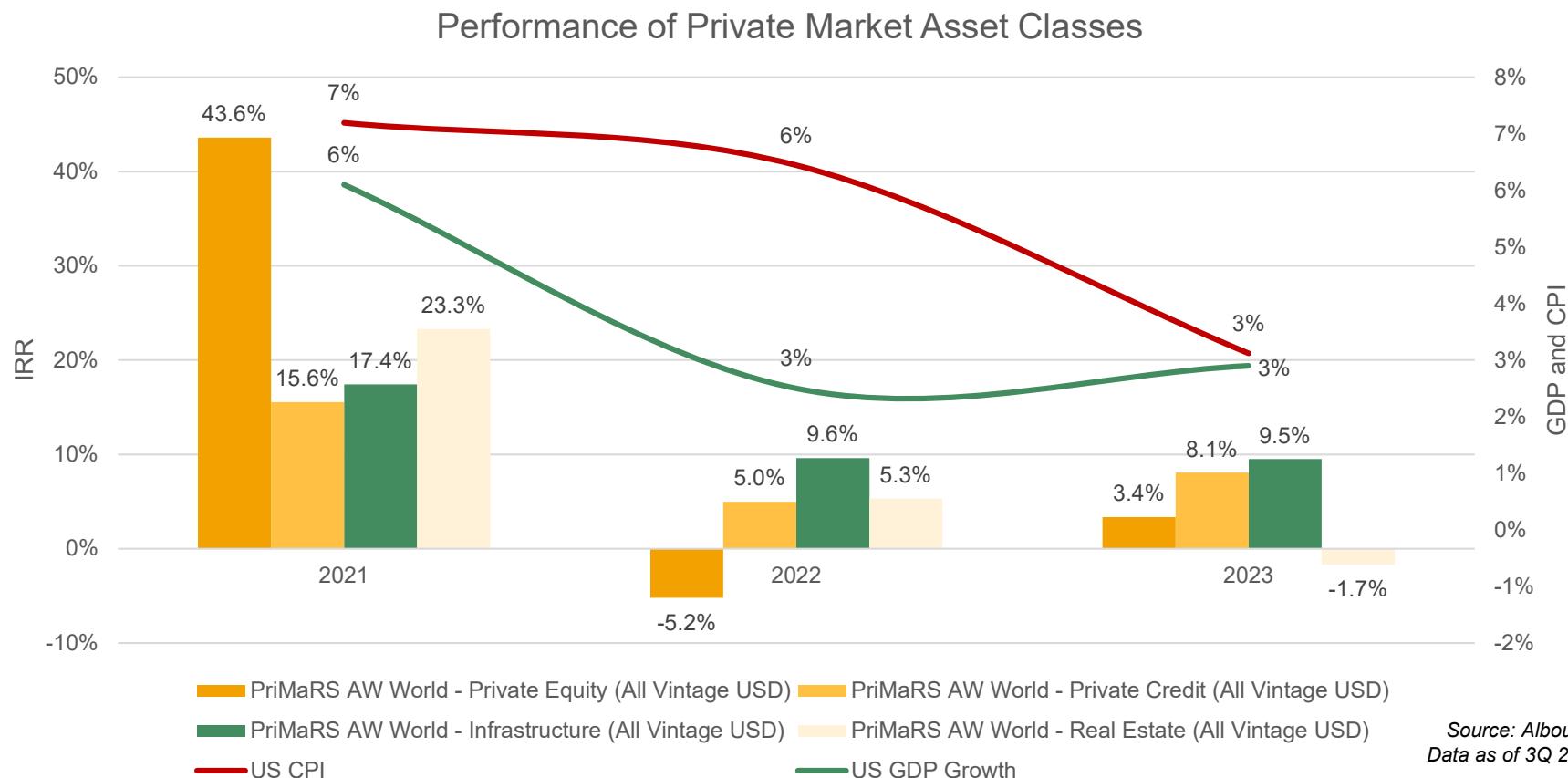
<sup>2</sup>Target Fund-Level Net Returns are the consensus fund-level net returns targeted by managers at the fund-level for each style.



# 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>

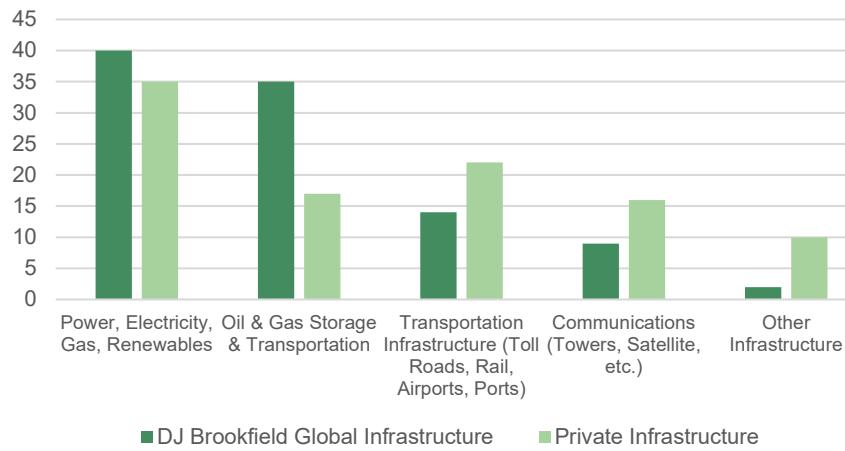
<sup>1</sup>Public Markets Equivalent (PME) is a methodology used to analyze the returns of private markets funds versus public markets. Although there are several methods for calculating the metric, the common basis of PME methodologies is to calculate an alternate internal rate of return (IRR) by applying 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?”



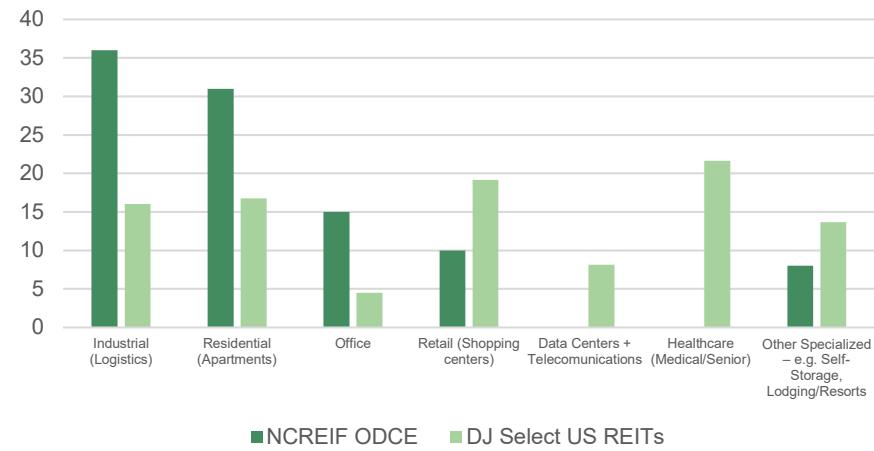
# Planning Phase

## Element 1-3: Determine benchmarks

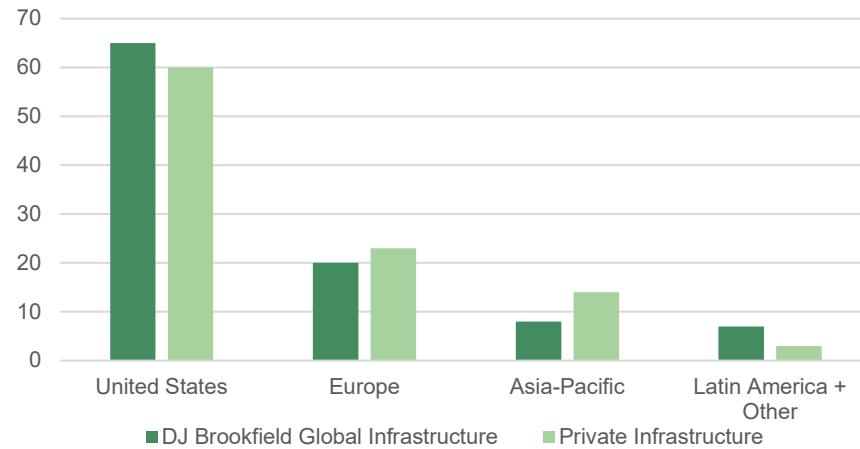
Sector Allocations - Real Assets



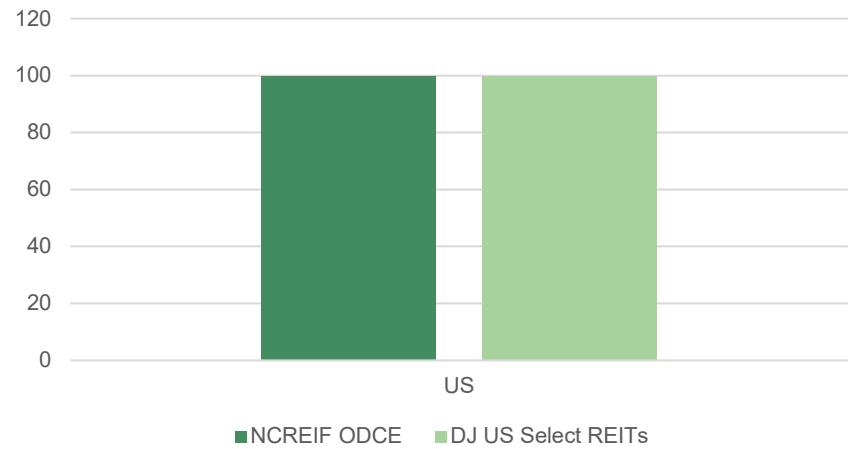
Sector Allocations - Real Estate



Regional Allocations - Real Assets



Regional Allocations - Real Estate





# Planning Phase

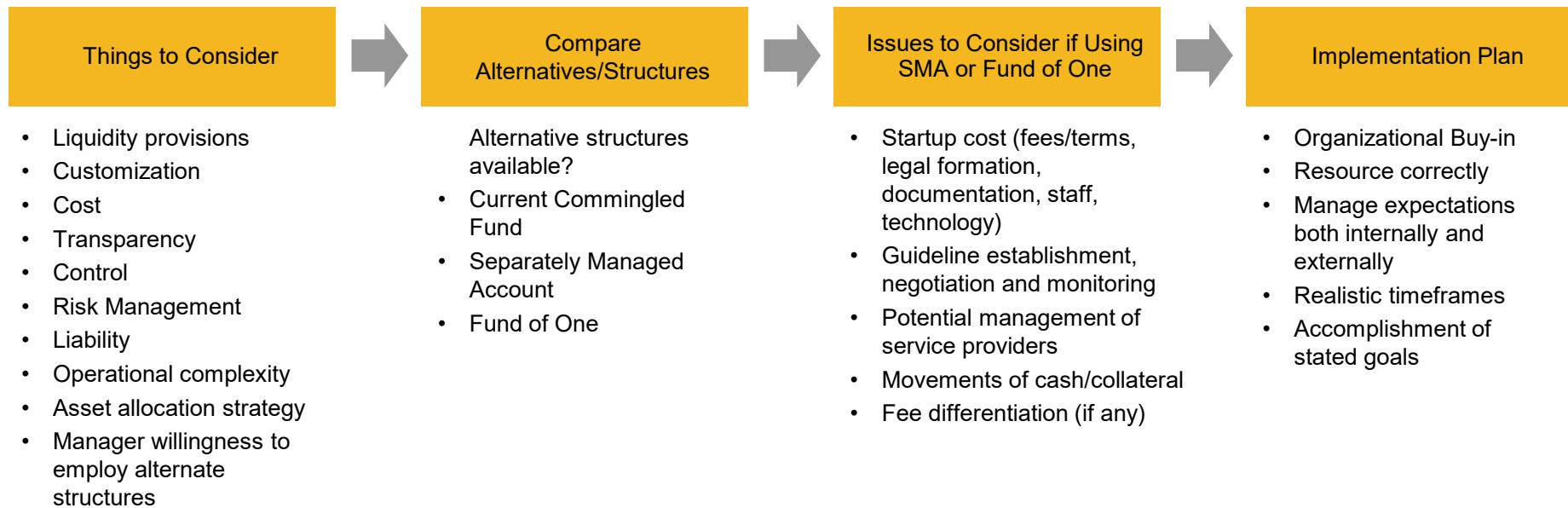
## Element 1-3: Determine benchmarks

	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

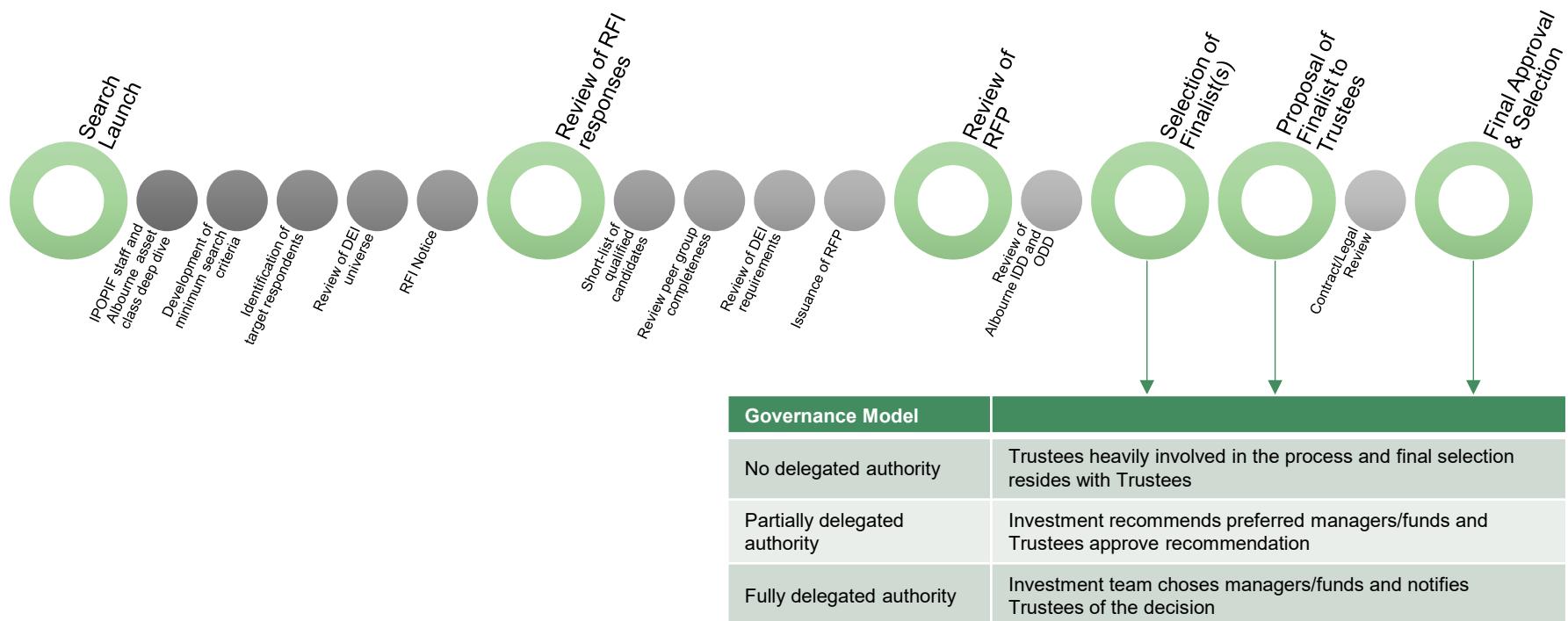


# Planning Phase

## 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>



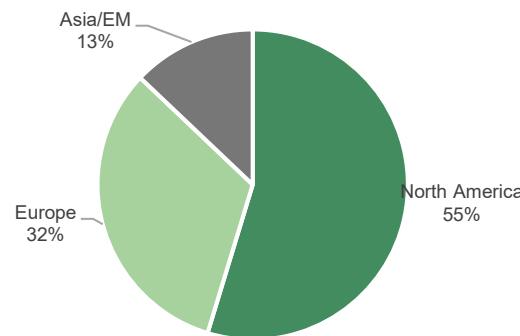
# Design Phase

## Element 2-3: Recommend PE Geographic Mix

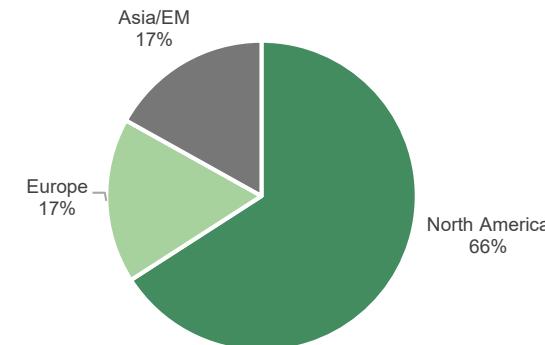
### Portfolio Construction Guidelines - Considerations

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





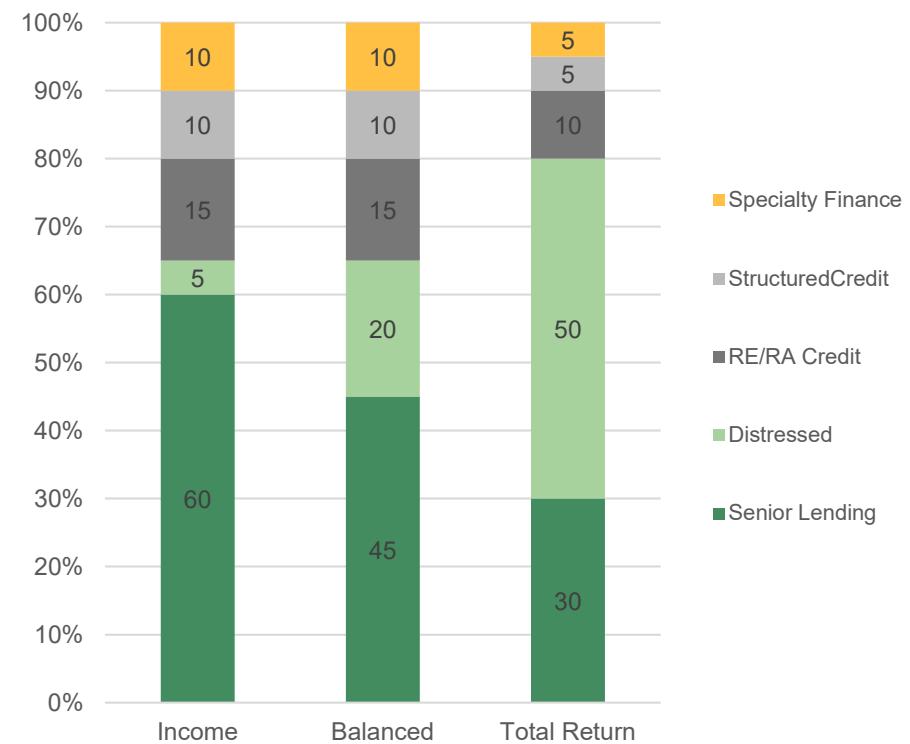
# Design Phase

## 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

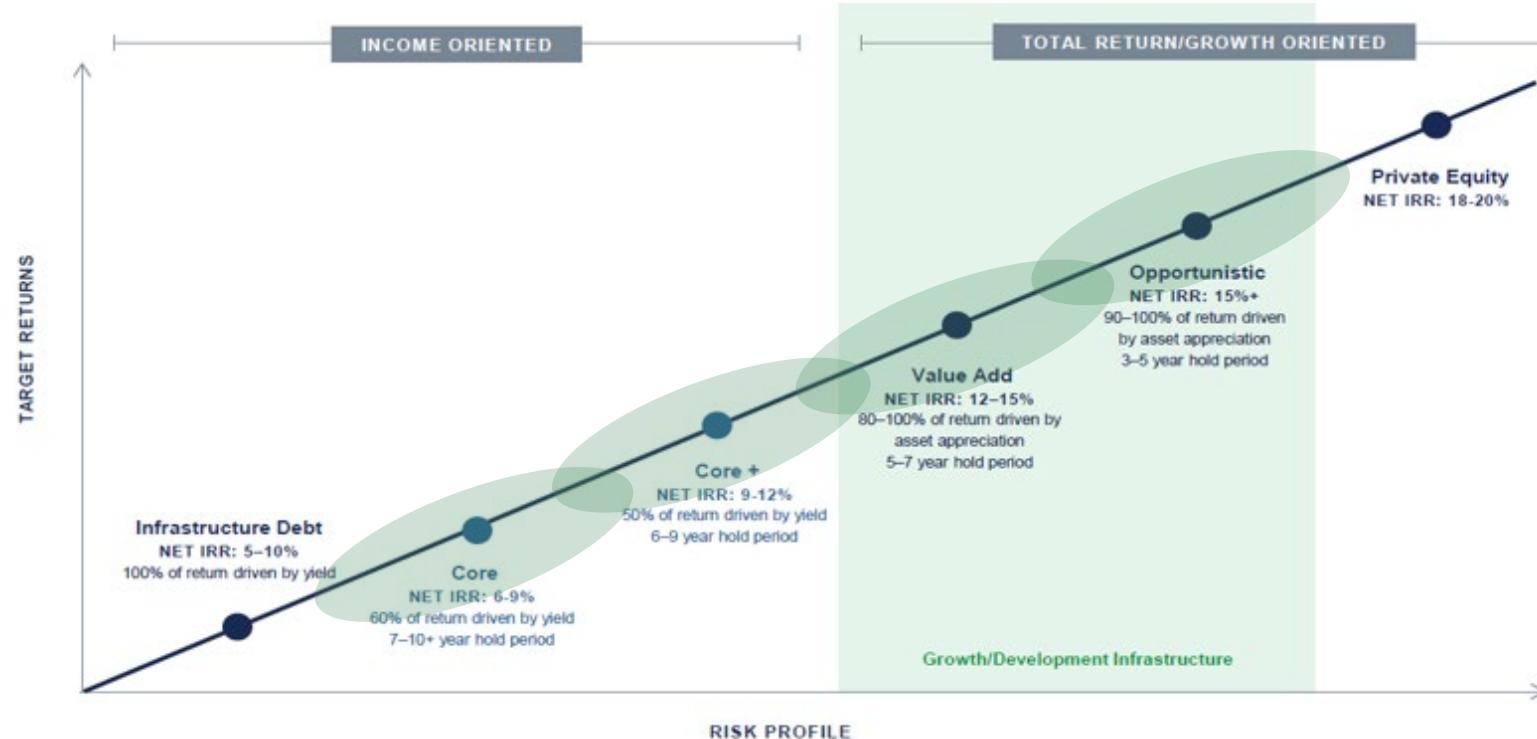
- Asset class strategic reviews, Real Estate and Real Assets, with IDD teams
  - Deep dive discussions of each asset class, features, benefits, and risk profile
  - Identify key asset class players and formation of potential pipeline
- Synthesis of asset class reviews with portfolio objectives
  - Implementation 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.



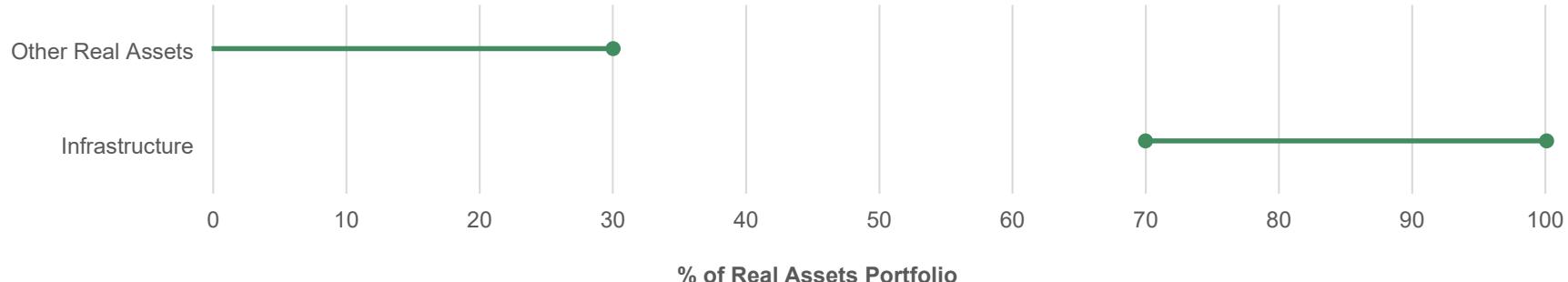
# Design Phase



## 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

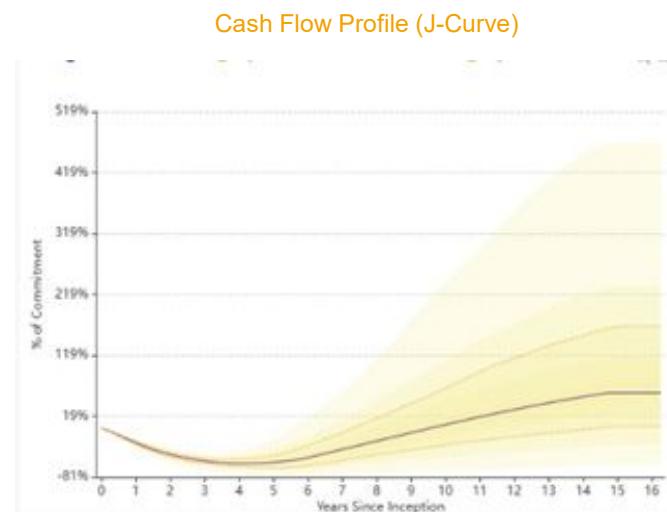
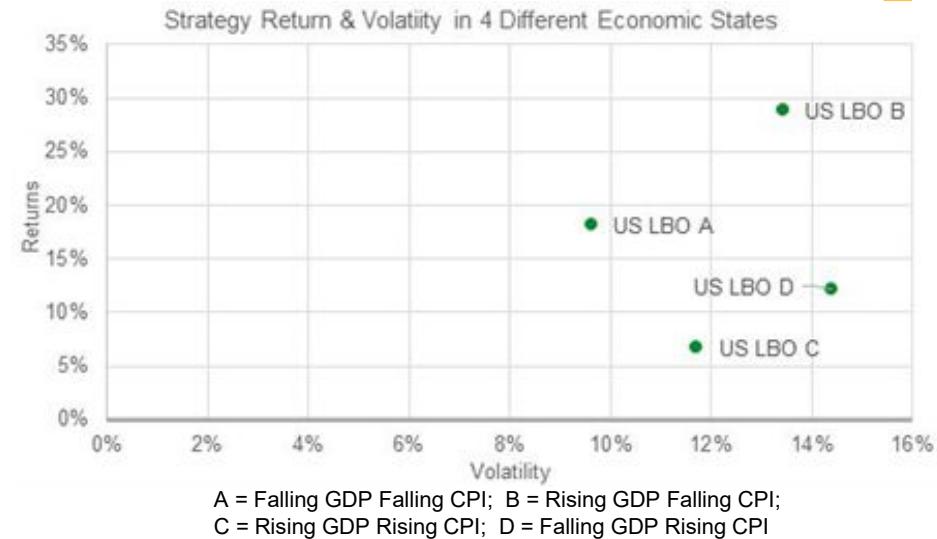
### Key Considerations

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



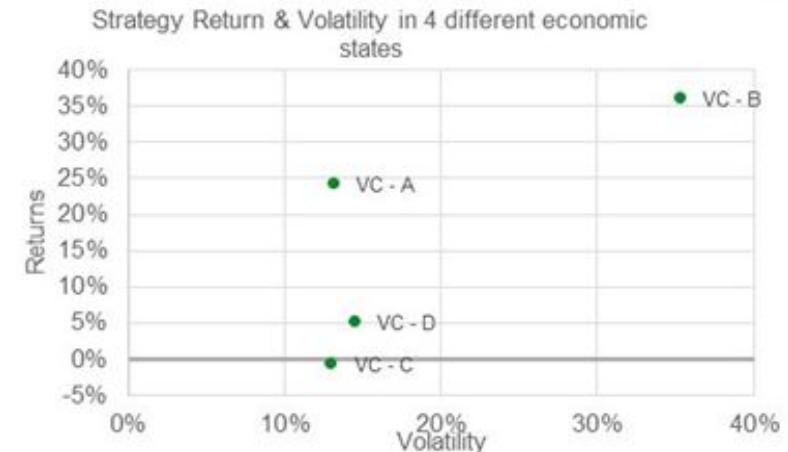
Management Buy-out (MBO)	<ul style="list-style-type: none"> <li>• Acquiring an established company in partnership with its incumbent management team. The PE fund will normally but not always have control.</li> <li>• Target companies are usually well established, profitable with strong and stable cash 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

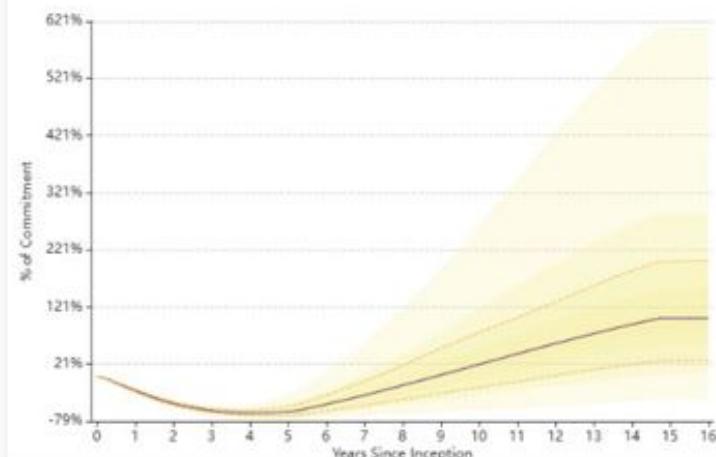


- Description:**
  - Venture Capital involves making equity investments in early stage businesses with little proven track record in profitability, and sometimes, revenue generation.
  - Highly risky at an individual level and achieving diversification is a key component of a successful programme.
- 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



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)



### 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

## 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

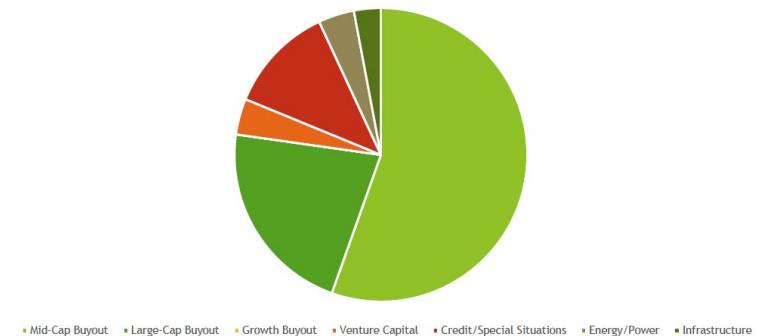
Comparable IRR's to Primary Fund investing

Whilst IRR's are equivalent, multiples, are lower

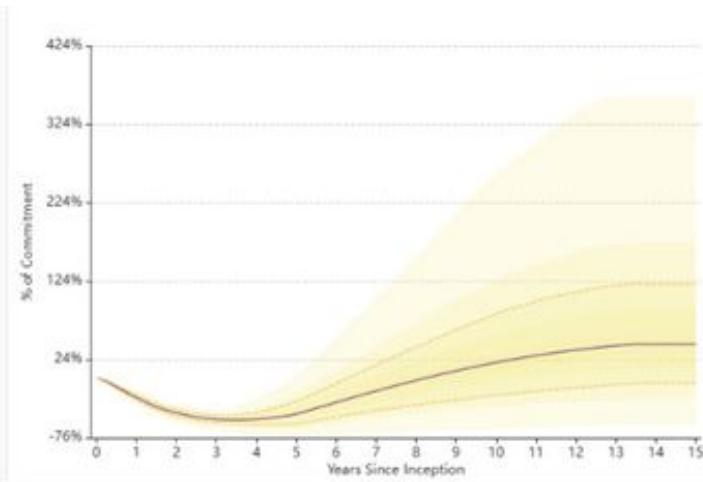
Usually two layers of fees – underlying GP and Secondaries Manager

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

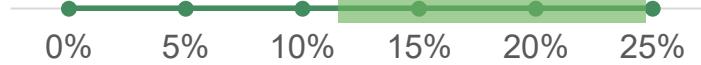
### Strategy Characteristics

<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

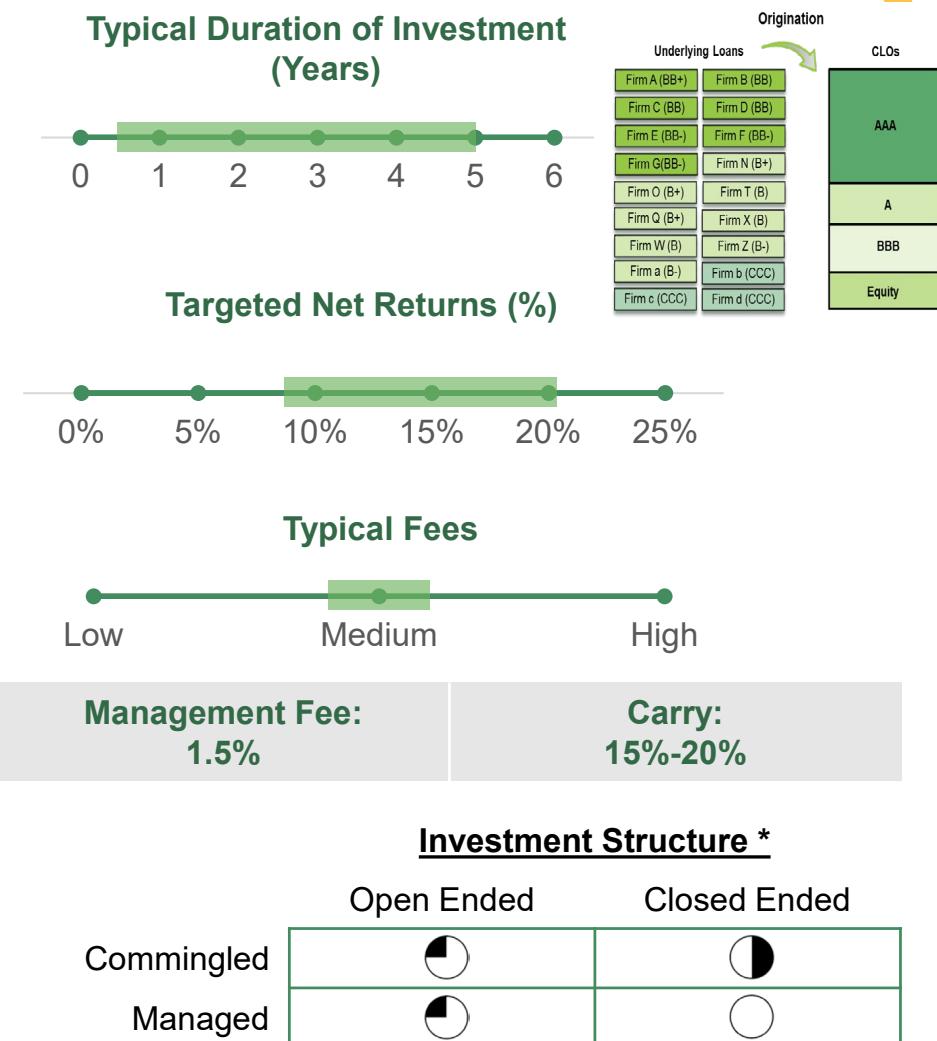


## Structured Product

### 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:

Infra: 75 bps-1.25%

Aviation: 2%

Mining: 1.5%-2%

#### Carry:

Infra: 10%-15%

Aviation: 20%

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

## Private Infrastructure Investment Management Search Request January 16, 2026

Staff and Albourne are recommending that the Board approve a search for Private Infrastructure Investment Management Services.



## **MEMORANDUM**

**DATE:** January 7, 2026  
**TO:** IPOPIF Board of Trustees  
**FROM:** Greg Turk, Deputy CIO; Kent Custer, Chief Investment Officer  
**SUBJECT:** Investment Manager Search Request: Infrastructure Investment Management Services

---

### **Recommendation**

That the Board of Trustees approve a search for private infrastructure investment management services.

### **Procurement of Investment Services Policy**

The Board of Trustees established the Procurement of Investment Services Policy ("Policy"), PP-2021-07, so that all decisions to procure Investment Services will be made with respect for the principles of competitive selection, full disclosure, objective evaluation, and proper documentation. The Policy establishes, among other provisions, competitive selection procedures (Section D), including evaluation factors (Section D.6). Section D.2 establishes that "The Board shall approve when there shall be a search for Investment Services and the parameters of the search based on a recommendation from investment staff or Investment Consultant.

### **Background**

- The IPOPIF long-term asset allocation dedicates 3% to Infrastructure (Infra)
- IPOPIF currently has zero exposure to Infrastructure.
- The Board hired Albourne America LLC (Albourne) in April 2025 to serve as IPOPIF's dedicated private markets consultant.
- Infrastructure should provide return enhancement, diversification benefits, inflation protection and income generating capabilities as compared to both public and private equities.
- Education regarding infrastructure was provided by Albourne/staff at the Oct. 2025 Board of Trustees meeting with additional documentation and content provided during the Private Markets Strategic Plan discussion in December.

### **Scope of Services**

- This search seeks a single Infrastructure platform that will have broad capabilities to invest through primary funds, secondary funds and direct means.
- The mandate is targeted for \$250 million to \$450 million, representing 1.7% to 3.0% of the total IPOPIF portfolio which is similar in size to previous private markets searches in private equity and in private credit.
- Unlike private equity there are not as many investment providers with strengths in secondary investing, so the portfolio solution is expected to initially incorporate more primary and direct

investments. However, the flexibility to incorporate secondary investments will be viewed favorably.

- Consistent with the strategic plan, the underlying funds/direct investments will be focused on value added profiles within infrastructure.
- Although the objective is to identify one manager who will be responsible for the total infrastructure allocation, additional managers may be considered if deemed necessary for diversification.

### Search Process

- Staff and private markets investment consultant, Albourne, have collaborated to develop a robust search process and RFP.
- Consistent with previous searches, a phased approach will be used to optimize the search process, allowing efficient consideration of the broadest pool of candidates and encouraging participation of the best.
  - **Request for Information (RFI)** – Any interested firm may submit a response to the RFI, which includes key information regarding capabilities and the respondents proposed solution for IPOPIF.
  - **(RFP)** – Following evaluation of the RFI submissions by staff and Albourne, the highest caliber candidates will be invited to submit a full proposal in accordance with the RFP. However, any firm may submit a full
  - **Semi-finalist Video Interviews** – Following evaluation of the proposals by staff and Albourne, the top-rated firms will be invited to interview with staff and Albourne.
  - **Board Interviews** – The top-rated firms (likely two) will be invited to interview with the Board. However, rather than move immediately to selection, we are asking the Board to provide feedback and guidance for final due diligence and contract negotiations.
  - **Final Board Recommendation and Selection** – Staff and Albourne will provide a final report and recommendation to the Board to take action for final selection.
- Staff will create a Board portal utilizing Teams to post candidate submissions and evaluation summaries.

### Funding Source

Funding for Infrastructure investments is expected to come from the existing fund exposures to public REITs and Short-Term Government/Credit investments.

**Schedule**

Deadline	Milestone
1/20/2026	RFP Posted
2/10/2026	Deadline for RFI submission (Exhibit 1)
2/27/2026	Highest caliber candidates invited to submit full proposal
3/10/2026	Deadline for written questions
3/12/2026	Deadline for answers to written questions
3/18/2026	Deadline for submission of completed proposals
4/14 - 4/16 2026	Semifinalist video interviews with Albourne and IPOPIF staff
6/5/2026	Board interviews finalists and provides feedback and guidance
6/29/2026	Staff and Albourne complete due diligence and finalize recommendation
7/31/2026	Final Board recommendation and selection

**Fees**

Infrastructure investments generally carry two types of fees: management fee and carried interest (performance fee). While not providing any guidance for this search, Albourne advises that “typical” infrastructure fees range from 1.00% to 1.50% on committed capital with carried interest ranging from 10 – 15% subject to performance hurdles of 7-8%. A 1.25% management fee on a \$450 million commitment would equate to around \$6 million per year. We would expect these fees to be charged to the investment vehicle rather than invoiced. The amount of fees will depend on the size of the mandate and the structure of the pacing plan. We also note that hurdle rates for carried interest incorporate recoupment of management fees paid.



# Illinois Police Officers' Pension Investment Fund

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

January 16, 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, IPOPPIF 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	Upper		
<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>N/A</b>	<b>5.0%</b>	<b>N/A</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 IPOPPIF asset allocation decisions. The purpose of the Policy benchmark is to evaluate IPOPPIF 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>	0.0% <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 IPOPPIF 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 1/8/26**

# Performance Update

	CY25 Jan. – Nov.	FY26 July – Nov.	3 years ending Nov. '25	Since Incept. 4/22
IPOPIF Pool	+16.6%	+7.3%	+12.6%	7.9%
Policy Benchmark	+16.1%	+7.3%	+12.6%	7.8%
Broad Benchmark	+17.0%	+7.2%	+13.9%	7.9%

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

- Returns for periods longer than one year are annualized.
- IPOPIF Performance is net of investment management fees.
- Policy Benchmark – Weighted average of asset class benchmarks; gauges success of implementation (currently less stock exposure than the broad benchmark).
- Broad Benchmark – 70/30 global stocks/bonds; gauges success of asset allocation.
- IPOPIF Actuarial Assumed Rate of Return is 6.8% per year.

Preliminary data indicates that the Fund returned 0.8% in December.

# 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.
- **October** – 3Q momentum carried through October with a 1.5% gain. Emerging Market Equity (EME) ex China posted a 9% return for the month, bringing 2025 year-to-date returns to 36%.
- **November** – Momentum slowed in November, but the portfolio continued to push higher (+0.5%). EME ex China (-1.6%) gave back some of the October gains but retains the 2025 crown with year-to-date returns of 34.1%.
- **December** – Preliminary data indicates +0.8% return in December. International equities were relatively strong, especially value styles.

# Asset Allocation 1/7/26

Account	Current		Target		Variance	
	\$M	%	\$M	%	\$M	%
<b>Growth</b>	<b>9,083</b>	<b>60.5%</b>	<b>8,710</b>	<b>58.0%</b>	<b>373</b>	<b>2.5%</b>
RhumbLine US Large	3,421	22.8%	3,454	23.0%	(33)	-0.2%
US Small Cap (3 mgrs)	762	5.1%	751	5.0%	11	0.1%
RhumbLine US Small	292	1.9%	300	2.0%	(8)	-0.1%
Hood River	236	1.6%	225	1.5%	10	0.1%
Reinhart	234	1.6%	225	1.5%	9	0.1%
SSGA Non-US Developed	3,005	20.0%	2,853	19.0%	152	1.0%
Intl. Small Cap (3 mgrs)	844	5.6%	751	5.0%	93	0.6%
Acadian	427	2.8%	375	2.5%	52	0.3%
LSV (1 day lag)	225	1.5%	188	1.25%	37	0.2%
<b>WCM (monthly)</b>	<b>192</b>	<b>1.3%</b>	<b>188</b>	<b>1.25%</b>	<b>4</b>	<b>0.0%</b>
EME ex China	1,051	7.0%	901	6.0%	150	1.0%
<b>ARGA (monthly)</b>	<b>519</b>	<b>3.5%</b>	<b>451</b>	<b>3.00%</b>	<b>69</b>	<b>0.5%</b>
William Blair	532	3.5%	451	3.00%	81	0.5%
<b>Income</b>	<b>2,291</b>	<b>15.3%</b>	<b>2,403</b>	<b>16.0%</b>	<b>(111)</b>	<b>-0.7%</b>
SSGA High Yield	615	4.1%	601	4.00%	14	0.1%
EM Debt (2 mgrs)	857	5.7%	901	6.0%	(44)	-0.3%
Cap Group EMD	222	1.5%	225	1.5%	(3)	0.0%
SSGA EM Debt	635	4.2%	676	4.5%	(41)	-0.3%
Bank Loans (2 mgrs)	418	2.8%	451	3.0%	(32)	-0.2%
<b>Ares (monthly)</b>	<b>139</b>	<b>0.9%</b>	<b>150</b>	<b>1.0%</b>	<b>(11)</b>	<b>-0.1%</b>
<b>Aristotle (monthly)</b>	<b>279</b>	<b>1.9%</b>	<b>300</b>	<b>2.0%</b>	<b>(21)</b>	<b>-0.1%</b>
Oaktree Priv. Cred. (Qtrly)	401	2.7%	451	3.00%	(49)	-0.3%
<b>Real Assets</b>	<b>798</b>	<b>5.3%</b>	<b>901</b>	<b>6.0%</b>	<b>(103)</b>	<b>-0.7%</b>
SSGA REITS	575	3.8%	601	4.0%	(25)	-0.2%
PRINCIPAL USPA	223	1.5%	300	2.0%	(77)	-0.5%
<b>Risk Mitigation</b>	<b>2,844</b>	<b>18.9%</b>	<b>3,003</b>	<b>20.0%</b>	<b>(159)</b>	<b>-1.1%</b>
Cash Accounts	144	1.0%	150	1.0%	(7)	0.0%
SSGA ST GOV-CREDIT	1,480	9.9%	1,502	10.0%	(22)	-0.1%
SSGA TIPS	442	2.9%	451	3.0%	(9)	-0.1%
SSGA US TREASURY	387	2.6%	451	3.0%	(64)	-0.4%
SSGA CORE BONDS	391	2.6%	451	3.0%	(59)	-0.4%
Legacy Transition Bonds	0.986	0.0%	-	0.0%	1	0.0%
<b>Total Investment Pool</b>	<b>15,017</b>	<b>100.0%</b>	<b>15,017</b>	<b>100.0%</b>		

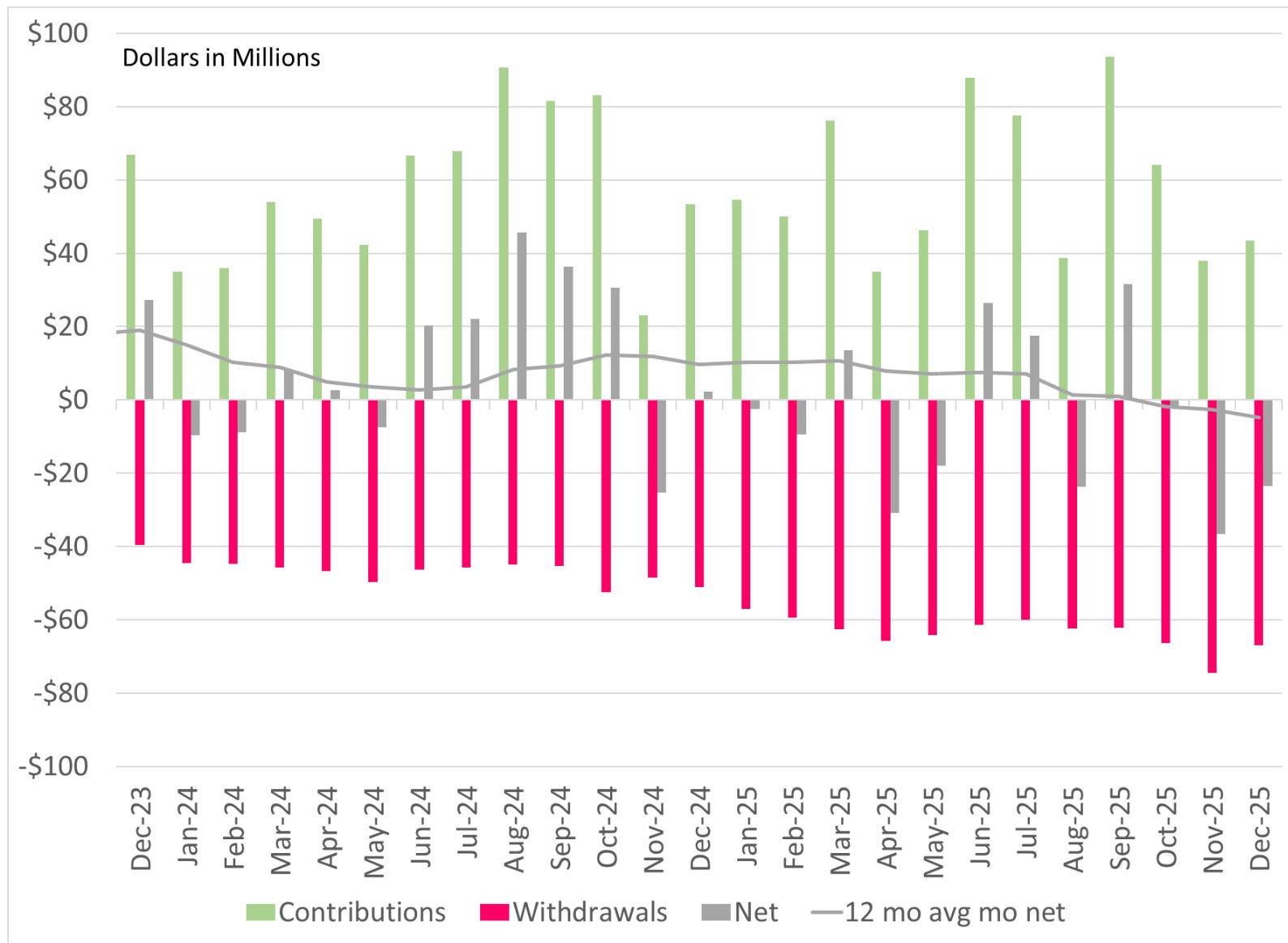
# Funding and Rebalancing

Trade Date	Account	Flow \$ mil	Trading Costs \$*
8-Dec	Wm Blair EM ex China	-15	0
10-Dec	IPOPIF Cash	+15	
1-Jan	LSV	-10	-35,000
6-Jan	IPOPIF Cash	+10	
1-Jan	ARGA EM Ex China	-15	-30,000
20-Jan	IPOPIF Cash	+15	
7-Jan	Wm Blair EM ex China	-15	0
9-Jan	IPOPIF Cash	+15	
9-Jan	SSGA Non-US Developed	-70	TBD
12-Jan	IPOPIF Cash	+70	
9-Jan	SSGA REIT	+21	TBD
12-Jan	IPOPIF Cash	-21	
14-Jan	Acadian	-15	TBD
16-Jan	IPOPIF Cash	+15	

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

- Trimming W. Blair and ARGA overweight gradually to minimize cost and impact.
- Trimmed LSV overweight.
- Rebalancing SSGA Non-US Developed to target. Proceeds to rebalance REITS and US Treasury accounts to target.
- Trimming Acadian overweight.

# Monthly Participant Fund Cash Flow



# IPOPIF Expense Load

Quarterly	3Q24	4Q24	1Q25	2Q25	3Q25
Admin ops + BOT	390,834	430,024	551,065	1,012,441	466,507
Investment Ops	225,651	419,849	554,415	1,058,941	361,871
IM Fees invoiced	1,016,759	1,281,220	1,573,899	1,784,367	1,864,498
IM Fees paid from fund	767,351	1,035,520	1,496,971	1,746,452	2,172,343
Total	2,400,595	3,166,612	4,176,351	5,602,201	4,865,219
Ending Fund NAV	11,280,824,565	12,648,678,759	12,702,119,945	13,745,843,365	14,487,544,975

Trailing Four Quarters	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25
Admin ops + BOT				2,384,364	2,460,037
Investment Ops				2,258,856	2,395,076
IM Fees invoiced				5,656,245	6,503,984
IM Fees paid from fund				5,046,294	6,451,286
Total				15,345,760	17,810,383
Average Fund NAV				12,594,366,659	13,396,046,761

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

This exhibit summarizes expenses and calculates the fee load on average NAV for the trailing for quarters. IM fees are expected to increase substantially with the implementation of active management, especially private markets. A Verus Asset Allocation presentation in March 2024 estimated the investment manager fee load of 0.49% for the long-term asset allocation. This would equate to \$73.5 million based on current \$15 billion NAV. We expect active management to increase fund returns NET of fees and expenses.

# Board Agenda Projection

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

For discussion and planning purposes. Subject to revision.



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

## **General Consultant Search Final Interviews and Selection January 16, 2026**

Concluding the search process for selection of a general investment consultant that began in June 2025, the Board of Trustees will interview two finalist candidates and is expected to select the winning candidate.



**MEMORANDUM**

DATE: January 9, 2026  
TO: IPOPIF Board of Trustees  
FROM: Kent Custer, Chief Investment Officer  
SUBJECT: Consultant Interview Schedule and Agenda

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Following is the schedule for the General Consultant Finalist interviews:

Start	Manager
1:15 PM	Verus
1:45 PM	NEPC

Each firm will have a total of 25 minutes for their presentation and Trustee questions.

Suggested Agenda:

- Organization
- Clients
- Investment Manager Research
- Capital Markets Research
- Proposed Consulting Team

In response to Trustee input the following additional guidance was provided to Verus and NEPC.

- Please keep the organization and client discussions tight with a focus on differentiating factors that will add value to IPOPIF. Regarding the organization topic, it will be important to cover firm ownership and management as well as any litigation or regulatory issues. Regarding the client topic, we are interested in AUA trends and client concentration/diversification.
- Under Capital Markets Research, please provide observations regarding IPOPIF's interim and long-term asset allocation including expectations, for return, volatility, and stress drawdown. Also, include suggestions or recommendations concerning portfolio construction for consideration.

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025  
MODIFIED CASH BASIS

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

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Fiduciary Net Position**  
**As of September 30, 2025, and 2024**

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
<b>Assets</b>		
<b>Cash</b>		
Lake Forest Bank & Trust	\$ 106,180	\$ 112,222
<b>Total Cash</b>	<b>106,180</b>	<b>112,222</b>
<b>Receivables and Prepaid Expenses</b>		
<b>Investments</b>		
Investments	14,459,105,554	11,279,781,831
<b>Total Investments</b>	<b>14,459,105,554</b>	<b>11,279,781,831</b>
<b>Other Assets</b>		
Net IMRF Pension Asset	-	-
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>14,459,211,734</b>	<b>11,279,894,053</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to IMRF Pension	725,658	801,936
<b>Liabilities</b>		
<b>Accrued Expenses</b>		
Payroll & Related	246,039	187,972
Professional	62,346	342,002
Administrative	5,413	1,600
<b>Total Accrued Expenses</b>	<b>313,798</b>	<b>531,574</b>
<b>Other Liabilities</b>		
Net IMRF Pension Liability	446,303	801,012
<b>Total Other Liabilities</b>	<b>446,303</b>	<b>801,012</b>
<b>Total Liabilities</b>	<b>760,101</b>	<b>1,332,586</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to IMRF Pension	348,056	7,625
<b>Net Position Restricted</b>	<b>14,458,829,235</b>	<b>11,279,355,778</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Changes in Fiduciary Net Position**  
**For the Three Months Ended September 30, 2025, and 2024**

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	209,914,043	240,808,928
Investments Received from Local Funds	622,812	-
<b>Total Proceeds</b>	<b>210,536,855</b>	<b>240,808,928</b>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	95	113
Interest	18,094,843	14,595,140
Net appreciation (depreciation) in fair value of investments	672,300,570	623,123,570
<b>Investment Income (Loss)</b>	<b>690,395,508</b>	<b>637,718,823</b>
Less: Investment Management Fees Paid from the Fund	-	-
<b>Investment Income (Loss) net of Management Fees</b>	<b>690,395,508</b>	<b>637,718,823</b>
<b>Total Additions</b>	<b>900,932,363</b>	<b>878,527,751</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(9,657)	(7,563)
Administrative Operations	(456,850)	(383,271)
Investment Operations	(361,871)	(225,651)
<b>Total Administrative Expenses</b>	<b>(828,378)</b>	<b>(616,485)</b>
<b>Participating Fund Withdrawals</b>	<b>(184,567,479)</b>	<b>(136,134,222)</b>
<b>Total Deductions</b>	<b>(185,395,857)</b>	<b>(136,750,707)</b>
<b>Net Increase (Decrease)</b>	<b>715,536,506</b>	<b>741,777,044</b>
<b>Net Position Restricted</b>		
<b>Beginning of the Year</b>	13,743,292,729	10,537,578,734
<b>End of the Period</b>	<b>14,458,829,235</b>	<b>11,279,355,778</b>

**Illinois Police Officers' Pension Investment Fund**  
**Additions Report for the Three Months Ended September 30, 2025**

	<u>Received this Month</u>	<u>Budgeted this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	93,648,046	-	209,914,043	-
Investments Received from Local Funds	-	-	622,812	-
	<b><u>93,648,046</u></b>	<b><u>-</u></b>	<b><u>210,536,855</u></b>	<b><u>-</u></b>
<u>Investment Income (Loss)</u>				
Interest & Dividends	6,421,614	-	18,094,938	-
Net appreciation (depreciation)	282,244,986	-	672,300,570	-
	<b><u>288,666,600</u></b>	<b><u>-</u></b>	<b><u>690,395,508</u></b>	<b><u>-</u></b>
<b>Total Additions</b>	<b><u>382,314,646</u></b>		<b><u>900,932,363</u></b>	

**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Three Months Ended September 30, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
Education and Training	1,040	1,500	9,657	18,000
Meeting Expenses	-	2,833	-	34,000
Board Member Reimbursements	-	1,375	-	16,500
Municipal Reimbursements	-	723	-	8,675
	<b>1,040</b>	<b>6,431</b>	<b>9,657</b>	<b>77,175</b>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	67,225	83,283	189,931	999,392
Employment Expenses				
FICA/Medicare	4,404	5,909	13,651	70,905
Medical/Dental Benefits	14,789	12,307	38,516	147,689
Unemployment	-	79	-	946
Retirement Benefits	8,437	8,789	12,842	105,463
	<b>94,855</b>	<b>110,367</b>	<b>254,940</b>	<b>1,324,395</b>
<u>Professional Services</u>				
Finance				
Audit - Financial	-	5,183	-	62,200
Agreed Upon Procedures - Article 3	-	30,481	-	365,775
Government Liaison	5,700	5,700	17,100	68,400
Actuarial Services	-	17,047	-	204,565
Outsourced Human Resources	450	625	450	7,500
Legal Services				
Legal Services - General	-	2,917	-	35,000
Legal Services - Fiduciary	5,673	10,417	5,673	125,000
Technology Services	-	375	-	4,500
Other Consulting Services	-	1,250	-	15,000
Communication Services	1,500	1,500	4,500	18,000
	<b>13,323</b>	<b>75,495</b>	<b>27,723</b>	<b>905,940</b>

**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Three Months Ended September 30, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<u>Bank Services and Fees</u>				
Local Bank Fees	117	133	232	1,600
	<u>117</u>	<u>133</u>	<u>232</u>	<u>1,600</u>
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	833	-	10,000
Insurance	-	10,833	130,302	130,000
Office Lease/Rent	5,375	5,375	16,125	64,500
Printing & Postage	-	833	-	10,000
Supplies & Maintenance	325	833	985	10,000
Telecommunication	2,168	1,667	5,117	20,000
Contingency	2	1,000	-	12,000
Dues / Licenses	2,536	7,167	19,797	86,000
Training & Education	-	500	950	6,000
Travel & Transportation	162	2,292	478	27,500
Utilities	-	625	-	7,500
Website	200	1,250	200	15,000
	<u>10,768</u>	<u>33,208</u>	<u>173,954</u>	<u>398,500</u>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	72,889	90,213	182,223	1,082,555
Employment Expenses				
<i>FICA/Medicare</i>	3,793	5,720	9,582	68,637
<i>Medical/Dental Benefits</i>	9,843	9,712	25,011	116,542
<i>Unemployment</i>	-	59	-	710
<i>Retirement Benefits</i>	7,373	9,036	11,305	108,437
	<u>93,898</u>	<u>114,740</u>	<u>228,121</u>	<u>1,376,881</u>
<u>Investment &amp; Banking</u>				
General Investment Consultant	133,750	80,208	133,750	962,500
Database Subscription	-	3,869	-	46,433
Custodial Services	-	46,679	-	560,150
	<u>133,750</u>	<u>130,756</u>	<u>133,750</u>	<u>1,569,083</u>
<b>Total Expenditures</b>	<b>347,751</b>	<b>471,130</b>	<b>828,377</b>	<b>5,653,574</b>
<b>Participating Fund Withdrawals</b>	<b>62,139,055</b>		<b>184,567,479</b>	
<b>Total Deductions</b>	<b>62,486,806</b>		<b>185,395,856</b>	

**Illinois Police Officers' Pension Investment Fund**  
**Investment Manager Fee Supplement**

	<b>1st Qtr FY 2026</b>	<b>Pro-Rata Portion of FY 2026 Budget</b>	<b>Final FY 2026 Budget</b>	<b>Investments under Management at 9/30/2025</b>	<b>Investments under Management at 9/30/2024</b>
<b><i>Direct Investment Manager Fees</i></b>					
Acadian	\$ 576,820	\$ 498,125	\$ 1,992,500	\$ 400,962,399	\$ 289,188,093
Capital Group	175,429	163,313	653,250	215,912,257	-
LSV	390,287	353,750	1,415,000	215,479,200	137,177,073
Rhumbline	50,849	43,131	172,525	4,134,044,683	3,140,576,717
State Street Global Advisors	179,810	153,263	613,051	7,106,992,554	6,844,455,429
William Blair	491,303	284,375	1,137,500	487,650,786	-
US Small Cap, Separate Account 1	-	263,813	1,055,250	-	-
US Small Cap, Separate Account 2	-	263,813	1,055,250	-	-
High Yield, Separate Account	-	251,250	1,005,000	-	-
<b>Total Invoiced Fees</b>	<b><u>\$ 1,864,498</u></b>	<b><u>\$ 2,274,832</u></b>	<b><u>\$ 9,099,326</u></b>	<b><u>\$ 12,561,041,879</u></b>	<b><u>\$ 10,411,397,312</u></b>

**Notes:**

***Direct Investment Manager Fees are invoiced to and paid by IPOPIF. These fees are included on the Statements of Changes in Fiduciary Net Position.***

***Investment Manager Fees that are outstanding for payment at September 30, 2025 appear in italic text.***

**Illinois Police Officers' Pension Investment Fund**  
**Investment Manager Fee Supplement**

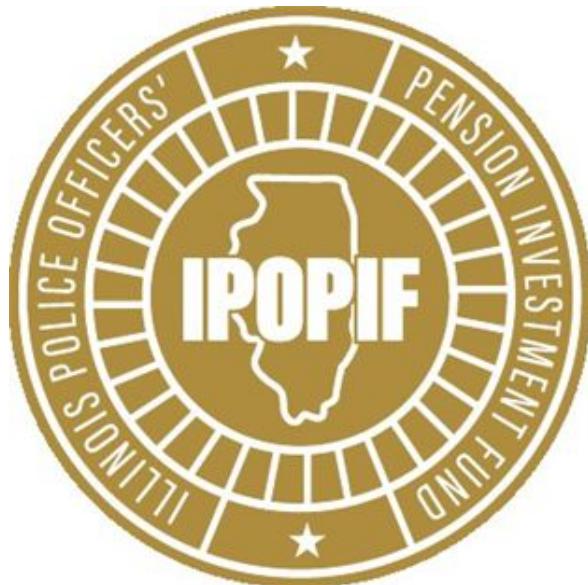
	<b>1st Qtr FY 2026</b>	<b>Pro-Rata Portion of FY 2026 Budget</b>	<b>Final FY 2026 Budget</b>	<b>Investments under Management at 9/30/2025</b>	<b>Investments under Management at 9/30/2024</b>
<b><i>Investment Fees Net with Investment Return</i></b>					
ARGA	\$ 840,058	\$ 703,500	\$ 2,814,000	\$ 494,767,774	\$ -
Ares	86,492	83,750	335,000	138,118,833	104,689,809
Aristotle	211,598	201,000	804,000	276,658,241	218,257,793
Principal	441,564	536,000	2,144,000	220,387,540	157,619,390
Oaktree	245,100	371,850	1,487,400	393,329,504	-
WCM	347,531	284,375	1,137,500	202,459,796	150,132,217
Total Fees Paid Directly from Investment	<u>\$ 2,172,343</u>	<u>\$ 2,180,475</u>	<u>\$ 8,721,900</u>	<u>\$ 1,725,721,688</u>	<u>\$ 630,699,209</u>
<b>Total</b>	<b>\$ 4,036,841</b>	<b>\$ 4,455,307</b>	<b>\$ 17,821,226</b>	<b>\$ 14,286,763,567 *</b>	<b>\$ 11,042,096,521 *</b>

**Notes:**

***Investment Fees Net with Investment Return* — These fees are deducted directly by the Investment Manager from the Fund's investment balance based on the net asset value of the investment. These fees are not included on the Statements of Changes in Fiduciary Net Position.**

**\* Investments under Management do not include Cash and reflect final values as reported by the respective Investment Manager.**

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE FOUR MONTHS ENDED OCTOBER 31, 2025  
MODIFIED CASH BASIS

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

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Fiduciary Net Position**  
**As of October 31, 2025, and 2024**

	<u>October 31, 2025</u>	<u>October 31, 2024</u>
<b>Assets</b>		
<b>Cash</b>		
Lake Forest Bank & Trust	\$ 96,093	\$ 119,163
<b>Total Cash</b>	<b>96,093</b>	<b>119,163</b>
<b>Receivables and Prepaid Expenses</b>		
<b>Investments</b>		
Investments	14,662,546,048	12,652,617,718
<b>Total Investments</b>	<b>14,662,546,048</b>	<b>12,652,617,718</b>
<b>Other Assets</b>		
Net IMRF Pension Asset	-	-
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>14,662,642,141</b>	<b>12,652,736,881</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to IMRF Pension	725,658	801,936
<b>Liabilities</b>		
<b>Accrued Expenses</b>		
Payroll & Related	241,785	186,543
Professional	2,030	304,760
Administrative	5,413	-
<b>Total Accrued Expenses</b>	<b>249,228</b>	<b>491,303</b>
<b>Other Liabilities</b>		
Net IMRF Pension Liability	446,303	801,012
<b>Total Other Liabilities</b>	<b>446,303</b>	<b>801,012</b>
<b>Total Liabilities</b>	<b>695,531</b>	<b>1,292,313</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to IMRF Pension	348,056	7,625
<b>Net Position Restricted</b>	<b>14,662,324,212</b>	<b>12,652,238,877</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Changes in Fiduciary Net Position**  
**For the Four Months Ended October 31, 2025, and 2024**

	<u>October 31, 2025</u>	<u>October 31, 2024</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	273,970,924	309,108,471
Investments Received from Local Funds	622,812	1,609,809,480
<b>Total Proceeds</b>	<b>274,593,736</b>	<b>1,918,917,951</b>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	126	148
Interest	22,969,270	23,081,276
Net appreciation (depreciation) in fair value of investments	873,526,933	362,181,975
<b>Investment Income (Loss)</b>	<b>896,496,329</b>	<b>385,263,399</b>
Less: Investment Management Fees Paid from the Fund	-	-
<b>Investment Income (Loss) net of Management Fees</b>	<b>896,496,329</b>	<b>385,263,399</b>
<b>Total Additions</b>	<b>1,171,090,065</b>	<b>2,304,181,350</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(12,788)	(5,685)
Administrative Operations	(587,466)	(509,329)
Investment Operations	(453,842)	(313,367)
<b>Total Administrative Expenses</b>	<b>(1,054,096)</b>	<b>(828,381)</b>
<b>Participating Fund Withdrawals</b>	<b>(251,004,486)</b>	<b>(188,692,826)</b>
<b>Total Deductions</b>	<b>(252,058,582)</b>	<b>(189,521,207)</b>
<b>Net Increase (Decrease)</b>	<b>919,031,483</b>	<b>2,114,660,143</b>
<b>Net Position Restricted</b>		
<b>Beginning of the Year</b>	13,743,292,729	10,537,578,734
<b>End of the Period</b>	<b>14,662,324,212</b>	<b>12,652,238,877</b>

**Illinois Police Officers' Pension Investment Fund**  
**Additions Report for the Four Months Ended October 31, 2025**

	<u>Received this Month</u>	<u>Budgeted this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	64,056,880	-	273,970,924	-
Investments Received from Local Funds	-	-	622,812	-
	<b>64,056,880</b>	<b>-</b>	<b>274,593,736</b>	<b>-</b>
<u>Investment Income (Loss)</u>				
Interest & Dividends	4,874,458	-	22,969,396	-
Net appreciation (depreciation)	201,226,363	-	873,526,933	-
	<b>206,100,821</b>	<b>-</b>	<b>896,496,329</b>	<b>-</b>
<b>Total Additions</b>	<b>270,157,701</b>		<b>1,171,090,065</b>	

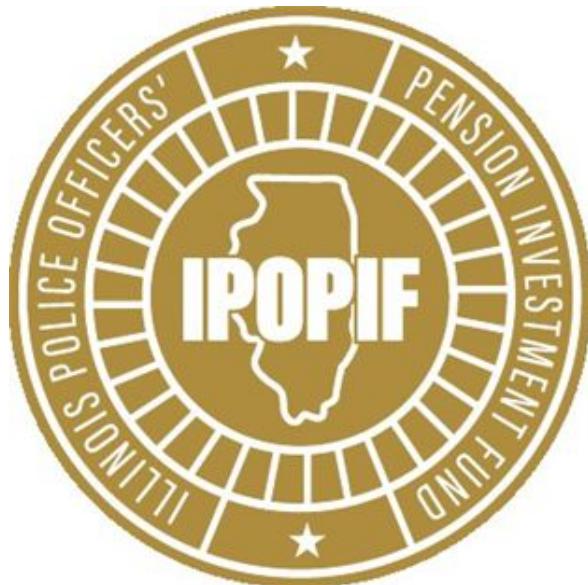
**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Four Months Ended October 31, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
Education and Training	(1,000)	1,500	8,657	18,000
Meeting Expenses	3,326	2,833	3,326	34,000
Board Member Reimbursements	805	1,375	805	16,500
Municipal Reimbursements	-	723	-	8,675
	<b>3,131</b>	<b>6,431</b>	<b>12,788</b>	<b>77,175</b>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	67,092	83,283	257,022	999,392
Employment Expenses				
<i>FICA/Medicare</i>	3,741	5,909	17,392	70,905
<i>Medical/Dental Benefits</i>	14,953	12,307	53,469	147,689
<i>Unemployment</i>	-	79	-	946
<i>Retirement Benefits</i>	6,448	8,789	19,290	105,463
	<b>92,234</b>	<b>110,367</b>	<b>347,173</b>	<b>1,324,395</b>
<u>Professional Services</u>				
Finance				
<i>Audit - Financial</i>	10,000	5,183	10,000	62,200
<i>Agreed Upon Procedures - Article 3</i>	-	30,481	-	365,775
Government Liaison	5,700	5,700	22,800	68,400
Actuarial Services	-	17,047	-	204,565
Outsourced Human Resources	-	625	450	7,500
Legal Services				
<i>Legal Services - General</i>	2,868	2,917	2,868	35,000
<i>Legal Services - Fiduciary</i>	1,891	10,417	7,564	125,000
Technology Services	-	375	-	4,500
Other Consulting Services	-	1,250	-	15,000
Communication Services	1,500	1,500	6,000	18,000
	<b>21,959</b>	<b>75,495</b>	<b>49,682</b>	<b>905,940</b>

**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Four Months Ended October 31, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<u>Bank Services and Fees</u>				
Local Bank Fees	122	133	354	1,600
	<u>122</u>	<u>133</u>	<u>354</u>	<u>1,600</u>
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	833	-	10,000
Insurance	-	10,833	130,302	130,000
Office Lease/Rent	5,375	5,375	21,500	64,500
Printing & Postage	-	833	-	10,000
Supplies & Maintenance	692	833	1,677	10,000
Telecommunication	1,718	1,667	6,835	20,000
Contingency	1	1,000	2	12,000
Dues / Licenses	6,132	7,167	25,929	86,000
Training & Education	2,021	500	2,971	6,000
Travel & Transportation	162	2,292	640	27,500
Utilities	-	625	-	7,500
Website	200	1,250	400	15,000
	<u>16,301</u>	<u>33,208</u>	<u>190,256</u>	<u>398,500</u>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	72,889	90,213	255,113	1,082,555
Employment Expenses				
<i>FICA/Medicare</i>	2,663	5,720	12,244	68,637
<i>Medical/Dental Benefits</i>	9,801	9,712	34,813	116,542
<i>Unemployment</i>	-	59	-	710
<i>Retirement Benefits</i>	6,617	9,036	17,922	108,437
	<u>91,970</u>	<u>114,740</u>	<u>320,092</u>	<u>1,376,881</u>
<u>Investment &amp; Banking</u>				
General Investment Consultant	-	80,208	133,750	962,500
Database Subscription	-	3,869	-	46,433
Custodial Services	-	46,679	-	560,150
	<u>-</u>	<u>130,756</u>	<u>133,750</u>	<u>1,569,083</u>
<b>Total Expenditures</b>	<b>225,717</b>	<b>471,130</b>	<b>1,054,095</b>	<b>5,653,574</b>
<b>Participating Fund Withdrawals</b>	<b>66,437,007</b>		<b>251,004,486</b>	
<b>Total Deductions</b>	<b>66,662,724</b>		<b>252,058,581</b>	

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2025  
MODIFIED CASH BASIS

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

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Fiduciary Net Position**  
**As of November 30, 2025, and 2024**

	<u>November 30, 2025</u>	<u>November 30, 2024</u>
<b>Assets</b>		
<b>Cash</b>		
Lake Forest Bank & Trust	\$ 98,241	\$ 108,929
<b>Total Cash</b>	<b>98,241</b>	<b>108,929</b>
<b>Receivables and Prepaid Expenses</b>		
<b>Investments</b>		
Investments	14,737,302,598	12,916,629,429
<b>Total Investments</b>	<b>14,737,302,598</b>	<b>12,916,629,429</b>
<b>Other Assets</b>		
Net IMRF Pension Asset	-	-
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>14,737,400,839</b>	<b>12,916,738,358</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to IMRF Pension	725,658	801,936
<b>Liabilities</b>		
<b>Accrued Expenses</b>		
Payroll & Related	245,445	186,057
Professional	2,030	48,888
Administrative	5,413	-
<b>Total Accrued Expenses</b>	<b>252,888</b>	<b>234,945</b>
<b>Other Liabilities</b>		
Net IMRF Pension Liability	446,303	801,012
<b>Total Other Liabilities</b>	<b>446,303</b>	<b>801,012</b>
<b>Total Liabilities</b>	<b>699,191</b>	<b>1,035,955</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to IMRF Pension	348,056	7,625
<b>Net Position Restricted</b>	<b>14,737,079,250</b>	<b>12,916,496,712</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Changes in Fiduciary Net Position**  
**For the Five Months Ended November 30, 2025, and 2024**

	<u>November 30, 2025</u>	<u>November 30, 2024</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	311,793,797	332,245,654
Investments Received from Local Funds	622,812	1,609,809,480
<b>Total Proceeds</b>	<b>312,416,609</b>	<b>1,942,055,134</b>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	153	180
Interest	29,366,480	30,139,219
Net appreciation (depreciation) in fair value of investments	980,471,658	645,844,700
<b>Investment Income (Loss)</b>	<b>1,009,838,291</b>	<b>675,984,099</b>
Less: Investment Management Fees Paid from the Fund	(1,509,259)	(744,386)
<b>Investment Income (Loss) net of Management Fees</b>	<b>1,008,329,032</b>	<b>675,239,713</b>
<b>Total Additions</b>	<b>1,320,745,641</b>	<b>2,617,294,847</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(19,480)	(11,511)
Administrative Operations	(751,147)	(686,502)
Investment Operations	(655,295)	(510,317)
<b>Total Administrative Expenses</b>	<b>(1,425,922)</b>	<b>(1,208,330)</b>
<b>Participating Fund Withdrawals</b>	<b>(325,533,199)</b>	<b>(237,168,539)</b>
<b>Total Deductions</b>	<b>(326,959,121)</b>	<b>(238,376,869)</b>
<b>Net Increase (Decrease)</b>	<b>993,786,520</b>	<b>2,378,917,978</b>
<b>Net Position Restricted</b>		
<b>Beginning of the Year</b>	13,743,292,730	10,537,578,734
<b>End of the Period</b>	<b>14,737,079,250</b>	<b>12,916,496,712</b>

**Illinois Police Officers' Pension Investment Fund**  
**Additions Report for the Five Months Ended November 30, 2025**

	<u>Received this Month</u>	<u>Budgeted this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	37,822,873	-	311,793,797	-
Investments Received from Local Funds	-	-	622,812	-
	<b>37,822,873</b>	<b>-</b>	<b>312,416,609</b>	<b>-</b>
<u>Investment Income (Loss)</u>				
Interest & Dividends	6,397,237	-	29,366,633	-
Net appreciation (depreciation)	106,944,726	-	980,471,658	-
Investment Management Fees Paid from the Fund	(1,509,259)	-	(1,509,259)	-
	<b>111,832,704</b>	<b>-</b>	<b>1,008,329,032</b>	<b>-</b>
<b>Total Additions</b>	<b>149,655,577</b>		<b>1,320,745,641</b>	

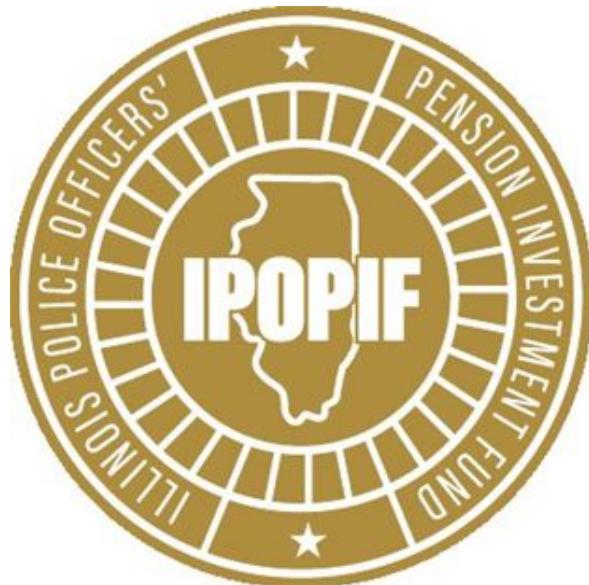
**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Five Months Ended November 30, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
Education and Training	2,132	1,500	10,788	18,000
Meeting Expenses	3,171	2,833	6,497	34,000
Board Member Reimbursements	1,390	1,375	2,195	16,500
Municipal Reimbursements	-	723	-	8,675
	<b>6,693</b>	<b>6,431</b>	<b>19,480</b>	<b>77,175</b>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	67,092	83,283	324,114	999,392
Employment Expenses				
<i>FICA/Medicare</i>	3,733	5,909	21,125	70,905
<i>Medical/Dental Benefits</i>	17,459	12,307	70,927	147,689
<i>Unemployment</i>	-	79	-	946
<i>Retirement Benefits</i>	6,448	8,789	25,739	105,463
	<b>94,732</b>	<b>110,367</b>	<b>441,905</b>	<b>1,324,395</b>
<u>Professional Services</u>				
Finance				
<i>Audit - Financial</i>	37,200	5,183	47,200	62,200
<i>Agreed Upon Procedures - Article 3</i>	14,000	30,481	14,000	365,775
Government Liaison	-	5,700	22,800	68,400
Actuarial Services	-	17,047	-	204,565
Outsourced Human Resources	-	625	450	7,500
Legal Services				
<i>Legal Services - General</i>	2,607	2,917	5,475	35,000
<i>Legal Services - Fiduciary</i>	5,401	10,417	12,965	125,000
Technology Services	-	375	-	4,500
Other Consulting Services	-	1,250	-	15,000
Communication Services	1,500	1,500	7,500	18,000
	<b>60,708</b>	<b>75,495</b>	<b>110,390</b>	<b>905,940</b>

**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Five Months Ended November 30, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<u>Bank Services and Fees</u>				
Local Bank Fees	119	133	473	1,600
	<u>119</u>	<u>133</u>	<u>473</u>	<u>1,600</u>
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	833	-	10,000
Insurance	(1,170)	10,833	129,132	130,000
Office Lease/Rent	5,375	5,375	26,875	64,500
Printing & Postage	-	833	-	10,000
Supplies & Maintenance	788	833	2,465	10,000
Telecommunication	1,269	1,667	8,104	20,000
Contingency	(2)	1,000	1	12,000
Dues / Licenses	1,414	7,167	27,343	86,000
Training & Education	-	500	2,971	6,000
Travel & Transportation	247	2,292	887	27,500
Utilities	-	625	-	7,500
Website	200	1,250	600	15,000
	<u>8,121</u>	<u>33,208</u>	<u>198,378</u>	<u>398,500</u>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	73,383	90,213	328,496	1,082,555
Employment Expenses				
FICA/Medicare	2,553	5,720	14,798	68,637
Medical/Dental Benefits	11,347	9,712	46,159	116,542
Unemployment	-	59	-	710
Retirement Benefits	5,259	9,036	23,180	108,437
	<u>92,542</u>	<u>114,740</u>	<u>412,633</u>	<u>1,376,881</u>
<u>Investment &amp; Banking</u>				
General Investment Consultant	106,875	80,208	240,625	962,500
Database Subscription	2,037	3,869	2,037	46,433
Custodial Services	-	46,679	-	560,150
	<u>108,912</u>	<u>130,756</u>	<u>242,662</u>	<u>1,569,083</u>
<b>Total Expenditures</b>	<b>371,827</b>	<b>471,130</b>	<b>1,425,921</b>	<b>5,653,574</b>
<b>Participating Fund Withdrawals</b>	<b>74,528,713</b>		<b>325,533,199</b>	
<b>Total Deductions</b>	<b>74,900,540</b>		<b>326,959,120</b>	

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND



## MONTHLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2025  
MODIFIED CASH BASIS

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

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Fiduciary Net Position**  
**As of December 31, 2025, and 2024**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Assets</b>		
<b>Cash</b>		
Lake Forest Bank & Trust	\$ 100,309	\$ 105,182
<b>Total Cash</b>	<b>100,309</b>	<b>105,182</b>
<b>Receivables and Prepaid Expenses</b>		
<b>Investments</b>		
Investments	14,838,835,409	12,651,561,115
<b>Total Investments</b>	<b>14,838,835,409</b>	<b>12,651,561,115</b>
<b>Other Assets</b>		
Net IMRF Pension Asset	-	-
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>14,838,935,718</b>	<b>12,651,666,297</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to IMRF Pension	725,658	801,936
<b>Liabilities</b>		
<b>Accrued Expenses</b>		
Payroll & Related	245,121	184,422
Professional	2,030	11,920
<b>Total Accrued Expenses</b>	<b>247,151</b>	<b>196,342</b>
<b>Other Liabilities</b>		
Net IMRF Pension Liability	446,303	801,012
<b>Total Other Liabilities</b>	<b>446,303</b>	<b>801,012</b>
<b>Total Liabilities</b>	<b>693,454</b>	<b>997,354</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to IMRF Pension	348,056	7,625
<b>Net Position Restricted</b>	<b>14,838,619,866</b>	<b>12,651,463,254</b>

**Illinois Police Officers' Pension Investment Fund**  
**Statements of Changes in Fiduciary Net Position**  
**For the Six Months Ended December 31, 2025, and 2024**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<b>Additions</b>		
<b>Proceeds</b>		
Cash Received from Local Funds	355,224,608	385,652,466
Investments Received from Local Funds	622,812	1,609,809,480
<b>Total Proceeds</b>	<b>355,847,420</b>	<b>1,995,461,946</b>
<b>Investment Income (Loss)</b>		
Lake Forest Bank & Trust	183	214
Interest	36,051,084	36,074,094
Net appreciation (depreciation) in fair value of investments	1,099,638,805	372,910,665
<b>Investment Income (Loss)</b>	<b>1,135,690,072</b>	<b>408,984,973</b>
Less: Investment Management Fees Paid from the Fund	(1,864,498)	(744,386)
<b>Investment Income (Loss) net of Management Fees</b>	<b>1,133,825,574</b>	<b>408,240,587</b>
<b>Total Additions</b>	<b>1,489,672,994</b>	<b>2,403,702,533</b>
<b>Deductions</b>		
<b>Administrative Expenses</b>		
Board of Trustees & Meetings	(24,534)	(18,917)
Administrative Operations	(860,475)	(801,941)
Investment Operations	(1,057,362)	(645,500)
<b>Total Administrative Expenses</b>	<b>(1,942,371)</b>	<b>(1,466,358)</b>
Participating Fund Withdrawals	(392,403,487)	(288,351,655)
<b>Total Deductions</b>	<b>(394,345,858)</b>	<b>(289,818,013)</b>
<b>Net Increase (Decrease)</b>	<b>1,095,327,136</b>	<b>2,113,884,520</b>
<b>Net Position Restricted</b>		
Beginning of the Year	13,743,292,730	10,537,578,734
<b>End of the Period</b>	<b>14,838,619,866</b>	<b>12,651,463,254</b>

**Illinois Police Officers' Pension Investment Fund**  
**Additions Report for the Six Months Ended December 31, 2025**

	<u>Received this Month</u>	<u>Budgeted this Month</u>	<u>Received this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Additions</b>				
<u>Consolidated Funds</u>				
Cash Received from Local Funds	43,430,812	-	355,224,608	-
Investments Received from Local Funds	-	-	622,812	-
	<b>43,430,812</b>	<b>-</b>	<b>355,847,420</b>	<b>-</b>
<u>Investment Income (Loss)</u>				
Interest & Dividends	6,684,635	-	36,051,267	-
Net appreciation (depreciation)	119,167,147	-	1,099,638,805	-
Investment Management Fees Paid from the Fund	(355,238)	-	(1,864,498)	-
	<b>125,496,544</b>	<b>-</b>	<b>1,133,825,574</b>	<b>-</b>
<b>Total Additions</b>	<b>168,927,356</b>		<b>1,489,672,994</b>	

**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Six Months Ended December 31, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<b>Board of Trustees and Meetings</b>				
<u>Board of Trustees and Meetings Expenses</u>				
Professional Services				
Education and Training	2,437	1,500	13,225	18,000
Meeting Expenses	-	2,833	6,497	34,000
Board Member Reimbursements	2,618	1,375	4,812	16,500
Municipal Reimbursements	-	723	-	8,675
	<b>5,055</b>	<b>6,431</b>	<b>24,534</b>	<b>77,175</b>
<b>Administrative Operations</b>				
<u>Personnel</u>				
Administrative Personnel	67,092	83,283	391,206	999,392
Employment Expenses				
FICA/Medicare	3,733	5,909	24,859	70,905
Medical/Dental Benefits	15,715	12,307	86,642	147,689
Unemployment	-	79	-	946
Retirement Benefits	6,448	8,789	32,187	105,463
	<b>92,988</b>	<b>110,367</b>	<b>534,894</b>	<b>1,324,395</b>
<u>Professional Services</u>				
Finance				
Accounting	1,619	-	1,619	-
Audit - Financial	-	5,183	47,200	62,200
Agreed Upon Procedures - Article 3	-	30,481	14,000	365,775
Government Liaison	-	5,700	22,800	68,400
Actuarial Services	-	17,047	-	204,565
Outsourced Human Resources	-	625	450	7,500
Legal Services				
Legal Services - General	-	2,917	5,475	35,000
Legal Services - Fiduciary	1,891	10,417	14,856	125,000
Technology Services	-	375	-	4,500
Other Consulting Services	-	1,250	-	15,000
Communication Services	1,500	1,500	9,000	18,000
	<b>5,010</b>	<b>75,495</b>	<b>115,400</b>	<b>905,940</b>

**Illinois Police Officers' Pension Investment Fund**  
**Deductions Report for the Six Months Ended December 31, 2025**

	<u>Expended this Month</u>	<u>Budgeted this Month</u>	<u>Expended this Fiscal Year</u>	<u>Budgeted this Fiscal Year</u>
<b>Expenditures</b>				
<u>Bank Services and Fees</u>				
Local Bank Fees	125	133	598	1,600
	<u>125</u>	<u>133</u>	<u>598</u>	<u>1,600</u>
<u>Services &amp; Supplies</u>				
Assets under \$5,000	-	833	-	10,000
Insurance	-	10,833	129,132	130,000
Office Lease/Rent	5,375	5,375	32,250	64,500
Printing & Postage	-	833	-	10,000
Supplies & Maintenance	655	833	3,120	10,000
Telecommunication	2,169	1,667	10,272	20,000
Contingency	-	1,000	(2)	12,000
Dues / Licenses	1,626	7,167	28,969	86,000
Training & Education	-	500	2,971	6,000
Travel & Transportation	162	2,292	1,050	27,500
Utilities	1,020	625	1,020	7,500
Website	200	1,250	800	15,000
	<u>11,207</u>	<u>33,208</u>	<u>209,582</u>	<u>398,500</u>
<b>Investment Operations</b>				
<u>Personnel</u>				
Investment Operations Personnel	72,889	90,213	401,385	1,082,555
Employment Expenses				
<i>FICA/Medicare</i>	2,442	5,720	17,240	68,637
<i>Medical/Dental Benefits</i>	10,289	9,712	56,448	116,542
<i>Unemployment</i>	-	59	-	710
<i>Retirement Benefits</i>	8,047	9,036	31,227	108,437
	<u>93,667</u>	<u>114,740</u>	<u>506,300</u>	<u>1,376,881</u>
<u>Investment &amp; Banking</u>				
General Investment Consultant	133,750	80,208	374,375	962,500
Database Subscription	44,393	3,869	46,430	46,433
Custodial Services	130,257	46,679	130,257	560,150
	<u>308,400</u>	<u>130,756</u>	<u>551,062</u>	<u>1,569,083</u>
<b>Total Expenditures</b>	<b>516,452</b>	<b>471,130</b>	<b>1,942,370</b>	<b>5,653,574</b>
<b>Participating Fund Withdrawals</b>	<b>66,870,288</b>		<b>392,403,487</b>	
<b>Total Deductions</b>	<b>67,386,740</b>		<b>394,345,857</b>	

**Note:**

The information for the December 31, 2025, Investment Manager Fee Supplement is not available due to normal reporting lags.

## Warrant #26-05 Paid 11-3-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### BOARD OF TRUSTEES and MEETINGS

#### Education and Training

	Michael Inman	
10/23/2025	Out of pocket reimbursement for hotel and trip cancellation policy for the International Foundation of Employee Benefit Plans Conference in Honolulu, Hawaii on November 9-12, 2025	\$1,281.51
	Richard White	
10/28/2025	Out of pocket reimbursement for NCPERS 2025 Fall Conference Fee for Trustee Hopkins in Fort Lauderdale, FL on October 26-29, 2025	\$850.00
	<b>Total Board of Trustees and Meetings Education and Training Expense</b>	<b>\$2,131.51</b>

#### Meeting Expenses

	Sound & Light Creations by Scott Fort	
10/25/2025	Sound system with table top microphones, video screen, and projector for Board Meeting, October 17, 2025, Invoice #10172502	\$1,422.00
	Richard White	
10/28/2025	Out of pocket reimbursement for meeting space at Peoria Marriott Pere Marquette for room for Board Meeting, October 17, 2025	\$1,749.06
	<b>Total Board of Trustees and Meetings Meeting Expense</b>	<b>\$3,171.06</b>

#### Board Member Reimbursements

	Lee Catavu	
10/17/2025	Out of pocket reimbursement for travel for September 12, 2025, Board Meeting	\$165.20
10/17/2025	Out of pocket reimbursement for travel for October 17, 2025, Board Meeting	\$165.20
	Michael Inman	
10/3/2025	Out of pocket reimbursement for travel for September 12, 2025, Board Meeting	\$120.20
10/23/2025	Out of pocket reimbursement for travel for October 17, 2025, Board Meeting	\$104.30
	Debra Nawrocki	
10/21/2025	Out of pocket reimbursement for hotel and travel for October 17, 2025, Board Meeting	\$418.20
	<b>Total Board of Trustees and Meetings Board Member Reimbursements</b>	<b>\$973.10</b>
	<b>TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES</b>	<b>\$6,275.67</b>

## Warrant #26-05 Paid 11-3-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### **Audit - Financial**

Sikich LLP		
10/24/2025	Professional services rendered in connection with year end 2025 audit, Progress Billing through October 31, 2025, Invoice #113494	\$37,200.00

##### **Agreed Upon Procedures - Article 3**

RSM		
10/31/2025	First progress billing for Tranche 3 Article 3 Pension Fund Exams, Invoice #CI-11218147	\$14,000.00

#### Professional Services - Legal

##### **General**

Reimer Dobrovolny & Labardi PC		
10/17/2025	Legal services rendered and disbursements for the period of September 2025, Invoice #32406	\$2,607.00

##### **Fiduciary & Litigation**

Jacobs Burns Orlove & Hernandez LLP		
10/15/2025	Legal services rendered in September 2025 regarding General matters, Custody and Transition Manager agreements, and US Small Cap Search, Invoice #1169	\$5,400.60

#### Professional Services - Communication

Shepherd Communications		
10/28/2025	Professional Service Fee for November 2025	\$1,500.00

#### Services and Supplies

Richard White		
10/28/2025	Refund for out of pocket reimbursement for Chubb Insurance policy renewal for Business Owners and Workers Compensation for 2025-2026	(\$1,170.00)

#### **Office Lease**

City of Peoria		
11/1/2025	Rent for November 2025	\$5,375.00

#### **Supplies & Maintenance**

AAA Certified Confidential Security Corp		
9/30/2025	On-site confidential records destruction services for September 2025, Invoice #116808	\$44.40
CityBlue Technologies, LLC		
9/30/2025	Epson AM-C4000 Ink-Cyan, Invoice #303192	\$337.00

## Warrant #26-05 Paid 11-3-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Supplies & Maintenance (continued)

	The Cleaning Source	
10/28/2025	Weekly cleaning service for October 2025, Invoice #IP1025	\$200.00
	Hinckley Springs	
10/2/2025	Water delivery, September 2025, and cooler rental, October 2025, Invoice #24908725 100225	\$34.97
10/30/2025	Water delivery, October 2025, and cooler rental, November 2025, Invoice #24908725 103025	\$34.97
	ODP Business Solutions, LLC	
10/15/2025	Office supplies, Copy Paper 10 Ream Box, qty 3; Invoice 444229370001	\$125.76
10/16/2025	Office supplies, Letter Opener, qty 2; Invoice 444248407001	\$10.78
	<b>Total Services and Supplies, Supplies &amp; Maintenance</b>	<b>\$787.88</b>

#### **Telecommunications**

	AmeriCALL	
10/4/2025	Monthly telephone charges, 10/4/25 - 11/3/25, Invoice #3885935	\$318.67
	AT&T Mobility	
10/1/2025	Monthly wireless cell phone service, 10/2/25 - 11/1/25, Invoice #287302376880X10092025	\$872.78
	Comcast	
10/12/2025	Monthly data, voice secure packaged services, 10/16/25 - 11/15/25	\$436.35
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$1,627.80</b>

#### **Dues & Licenses**

	ADP, Inc.	
9/26/2025	Processing charges for period ending September 15, 2025, Debit #701170564	\$110.58
10/17/2025	Processing charges and state fees for period ending September 30, 2025, Debit #703013648	\$119.53
	Government Finance Officers Association (GFOA)	
10/1/2025	Annual membership renewal for the period November 1, 2025 through October 31, 2026, Invoice #300281786-2025	\$200.00
	Illinois Government Finance Officers Association (IGFOA)	
10/15/2025	Annual 2026 membership dues, Amy Zick and Matt Roedell	\$250.00

## Warrant #26-05 Paid 11-3-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies (continued)

##### Dues & Licenses (continued)

Levi, Ray & Shoup, Inc.		
10/6/2025	LRS Axcent CloudFinder for Office 365 backup, 24 licenses, Setptember 2025, Invoice #350717	\$120.00
10/8/2024	LRS Axcent CloudFinder for Office 365 backup, 25 licenses, Setptember 2024, Invoice #328841	\$125.00
Thomson Reuters		
10/12/2025	NetStaff CS Web Services fees and Manual processing, September 2025, Invoice #11896979	\$489.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$1,414.11</b>

##### Travel & Transportation

Katherine Cobb		
10/15/2025	Out of pocket reimbursement for parking fees, October 2025	\$81.00
Samantha Lambert		
10/16/2025	Out of pocket reimbursement for parking fees, October 2025	\$81.00
Matthew Roedell		
10/28/2025	Out of pocket reimbursement for parking pass 20-pack	\$85.00
	<b>Total Services and Supplies, Travel &amp; Transportation</b>	<b>\$247.00</b>

##### Website

Levi, Ray & Shoup, Inc.		
10/6/2025	Website hosting and related support, September 2025, Invoice #350716	\$200.00
	<b>Total Administrative Operations Services and Supplies Expenses</b>	<b>\$8,481.79</b>

### **TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$69,189.39**

### INVESTMENT OPERATIONS

#### Investment & Banking

##### Database Subscriptions

Bloomberg		
10/6/2025	Standard FI Index Level Data Subscription 10/01/25 - 09/30/26 Invoice #6866655555	\$2,000.04
Steve Yoon		
10/27/2025	Out of pocket reimbursement for Bloomberg LEI Renewal Subscription 11/29/25 - 10/29/26	\$36.67
	<b>Total Database Subscriptions</b>	<b>\$2,036.71</b>

## Warrant #26-05 Paid 11-3-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

**INVESTMENT OPERATIONS (continued)****Investment & Banking (continued)****General Investment Consultant**

Verus Advisory, Inc.  
9/30/2025      Services for the quarter ending September 30, 2025, Invoice #INV039486      \$106,875.00

**Investment Management**

Acadian  
10/24/2025      Investment Management Services for the quarter ending September 30, 2025, \$388,917,804 AUM, 59.33 bps, Invoice #I185309      \$576,820.00

LSV Asset Management  
10/13/2025      Investment Management Services for the quarter ending September 30, 2025, \$208,152,884 AUM, 75.00 bps, Invoice #ISIOPPF20250930      \$390,287.00

RhumbLine Advisors  
10/27/2025      Investment Management Services for the quarter ending September 30, 2025, \$4,039,140,244 AUM, 0.50 bps, Invoice #gipop12025Q3      \$50,849.00

William Blair  
10/13/2025      Investment Management Services for the quarter ending September 30, 2025, \$469,718,999 AUM, 41.84 bps, Invoice #CITEMX1\_1.20250930.1      \$491,303.30

**Total Investment & Banking Investment Management**      **\$1,509,259.30**

**TOTAL INVESTMENT OPERATIONS EXPENSES**      **\$1,618,171.01**

**TOTAL EXPENSES FOR ACCEPTANCE**      **\$1,693,636.07**

## Warrant #26-06 Paid 12-1-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### BOARD OF TRUSTEES and MEETINGS

#### Education and Training

	Lee Catavu	
11/26/2025	Out of pocket reimbursement for Travel and Incidentals for the International Foundation of Employee Benefit Plans Conference in Honolulu, Hawaii on November 9-12, 2025	\$194.14
	Daniel Hopkins	
11/8/2025	Out of pocket reimbursement for Hotel, Travel, Meals and Incidental for the NCPERS 2025 Fall Conference in Ft. Lauderdale, FL on October 26-29, 2025	\$2,146.78
	Michael Inman	
11/20/2025	Out of pocket reimbursement for travel for the International Foundation of Employee Benefit Plans Conference in Honolulu, Hawaii on November 9-12, 2025	\$95.90
	<b>Total Board of Trustees and Meetings Education and Training Expense</b>	<b>\$2,436.82</b>

#### Board Member Reimbursements

	Philip Suess	
10/29/2025	Out of pocket reimbursement for hotel and travel for Board Meeting, October 17, 2025	\$416.50

<b>TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES</b>	<b>\$2,853.32</b>
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### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### Accounting

	Lauterbach & Amen, LLP	
11/21/2025	Accounting Support Services for September 2025, Invoice #111974	\$1,618.75

#### Professional Services - Legal

##### Fiduciary & Litigation

	Jacobs Burns Orlove & Hernandez LLP	
11/13/2025	Legal services rendered in October 2025 regarding General matters, Private Markets Search, US High Yield Search, and US Small Cap Search Invoice #1269	\$1,891.00

#### Professional Services - Communication

	Shepherd Communications	
11/19/2025	Professional Service Fee for December 2025	\$1,500.00

<b>Total Administrative Operations Professional Services Expenses</b>	<b>\$5,009.75</b>
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## Warrant #26-06 Paid 12-1-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### ADMINISTRATIVE OPERATIONS (continued)

#### Services and Supplies

##### Office Lease

12/1/2025	City of Peoria Rent for December 2025	\$5,375.00
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##### Supplies & Maintenance

11/20/2025	The Cleaning Source Weekly cleaning service for November 2025, Invoice #IP1125	\$200.00
11/27/2025	Hinckley Springs Water cooler rental, December 2025, Invoice #24908725 112725	\$10.99
10/29/2025	ODP Business Solutions, LLC Office supplies, IPOPIF logo gel pens, qty 150; Invoice 444248408001	\$321.86
11/12/2025	Office supplies, Deposit Only Stamp, qty 1; Invoice 446607538001	\$7.55
11/13/2025	Office supplies, AAA Batteries, 24 pk; Facial Tissue, qty 2; Clorox Wipes, 3 pk; Copy Paper 10 Ream Box, qty 1; Photo paper, 50 pk; Invoice 446591411001	\$114.49
	<b>Total Services and Supplies, Supplies &amp; Maintenance</b>	<b>\$654.89</b>

##### Telecommunications

11/4/2025	AmeriCALL Monthly telephone charges, 11/4/25 - 12/3/25, Invoice #3920522	\$318.67
11/1/2025	AT&T Mobility Monthly wireless cell phone service, 11/2/25 - 12/1/25, Invoice #287302376880X11092025	\$905.28
11/12/2025	Comcast Monthly data, voice secure packaged services, 11/16/25 - 12/15/25	\$436.35
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$1,660.30</b>

##### Dues & Licenses

10/31/2025	ADP, Inc. Processing charges for period ending October 15, 2025, Debit #704320884	\$110.58
11/14/2025	Processing charges and state fees for period ending October 31, 2025, Debit #705229596	\$119.53
11/21/2025	Central Illinois Security Annual license renewal for Access Control, Invoice 225459	\$787.00
11/5/2025	Levi, Ray & Shoup, Inc. LRS Axcent CloudFinder for Office 365 backup, 24 licenses, October 2025, Invoice #353143	\$120.00

## Warrant #26-06 Paid 12-1-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS (continued)**Services and Supplies (continued)**Dues & Licenses (continued)**

	Thomson Reuters	
11/12/2025	NetStaff CS Web Services fees and Manual processing, October 2025, Invoice #11928060	\$489.00
<b>Total Services and Supplies, Dues &amp; Licenses</b>		<b>\$1,626.11</b>

**Travel & Transportation**

	Katherine Cobb	
11/4/2025	Out of pocket reimbursement for parking fees, November 2025	\$81.20
	Samantha Lambert	
11/4/2025	Out of pocket reimbursement for parking fees, November 2025	\$81.20
<b>Total Services and Supplies, Travel &amp; Transportation</b>		<b>\$162.40</b>

**Utilities**

	City of Peoria	
11/30/2025	Q4 2024 to Q3 2025 Utility Reimbursement, Invoice #64849	\$6,432.83

**Website**

	Levi, Ray & Shoup, Inc.	
11/5/2025	Website hosting and related support, October 2025, Invoice #353142	\$200.00
<b>Total Administrative Operations Services and Supplies Expenses</b>		<b>\$16,111.53</b>

**TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$21,121.28****INVESTMENT OPERATIONS**Investment & Banking**Database Subscriptions**

	Nasdaq Evestment	
11/18/2025	Premium Package Services Subscription 12/30/25 - 12/29/26, Invoice #INV00078959	\$39,392.80
	MSCI Inc.	
11/29/2025	MSCI Asset Owner Base Data Package Subscription 12/1/25 - 11/30/26, Invoice #400208967	\$5,000.00
<b>Total Database Subscriptions</b>		<b>\$44,392.80</b>

**General Investment Consultant**

	Albourne America LLC	
10/1/2025	Research and Advisory Services October 1, 2025 to December 31, 2025, Invoice C-ILL001	\$133,750.00

## Warrant #26-06 Paid 12-1-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

**INVESTMENT OPERATIONS (continued)****Investment & Banking (continued)****Investment Management**

	Capital Group	
11/18/2025	Investment Management Services for the July 1, 2025 to September 30, 2025, \$215,912,257 AUM, 32.50 bps, Invoice #20250630-2318-A	\$175,428.71
	State Street Global Advisors	
11/7/2025	Investment Management services for July, August, and September 2025, Non-US Developed Index Fund \$2,408,197,263, 0.86 bps, Invoice #SSGABA4350809	\$58,467.87
11/7/2025	Investment Management services for July, August, and September 2025, US Agg Bond Index Fund \$382,190,902, 0.86 bps, Invoice #SSGABA4350805	\$8,193.32
11/7/2025	Investment Management services for July, August, and September 2025, US REIT Index Fund \$546,853,215, 0.86 bps, Invoice #SSGABA4258264	\$11,723.32
11/7/2025	Investment Management services for July, August, and September 2025, US ST Gov/Credit Bond Fund \$1,344,549,379, 0.86 bps, Invoice #SSGABA4350806	\$28,824.15
11/7/2025	Investment Management services for July, August, and September 2025, US High Yield Bond Index Fund \$637,551,182, 0.86 bps, Invoice #SSGABA44350807	\$13,667.68
11/7/2025	Investment Management services for Additional Fees for July, August, and September 2025, US High Yield Bond Index Fund \$1,239,197,680 AUM, 0.97 bps, Invoice #SSGABA4350808	\$15,383.01
11/7/2025	Investment Management services for July, August, and September 2025, US TIPS 0-5 Yrs Fund \$376,016,609, 0.86 bps, Invoice #SSGABA4350810	\$8,060.96
11/7/2025	Investment Management services for July, August, and September 2025, Emerging Markets Hard Index Fund \$601,646,497 AUM, 0.86 bps, Invoice #SSGABA4350811	\$12,897.96
11/7/2025	Investment Management services for Additional Fees for July, August, and September 2025, - Emerging Markets Hard Index Fund \$1,239,197,680 AUM, 0.97 bps, Invoice #SSGABA4350812	\$14,516.70
11/7/2025	Investment Management services for July, August, and September 2025, US Treasury Index Fund \$376,655,749 AUM, 0.86 bps, Invoice #SSGABA4350813	\$8,074.66
<b>Total Investment &amp; Banking Investment Management</b>		<b>\$355,238.34</b>

Warrant #26-06 Paid 12-1-2025



## Expenses for Acceptance - January 16, 2026 Board Meeting

### INVESTMENT OPERATIONS (continued)

#### Investment & Banking (continued)

##### Custodial Services

	State Street Bank & Trust Company	
11/11/2025	Custody Fees, Charges and Expenses for July 2025, Invoice #2507149465-6011	\$41,803.38
10/21/2025	Custody Fees, Charges and Expenses for August 2025, Invoice #2508149465-6011	\$45,808.81
11/27/2025	Custody Fees, Charges and Expenses for September 2025, Invoice #2509149465-6011	\$42,645.09
	<b>Total Investment &amp; Banking Custodial Services</b>	<b>\$130,257.28</b>
	<b>TOTAL INVESTMENT OPERATIONS EXPENSES</b>	<b>\$663,638.42</b>
	<b>TOTAL EXPENSES FOR ACCEPTANCE</b>	<b>\$687,613.02</b>

## Warrant #26-07 Paid 1-2-2026



## Expenses for Acceptance - January 16, 2026 Board Meeting

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

Survey & Ballot Systems Inc		
12/10/2025	Election services for the 2026 IPOPIF Election, Phase 01, Invoice #22018	\$15,746.25

### Education and Training

Scott Bowers		
11/26/2025	Out of pocket reimbursement for Hotel, Travel, Meals and Incidental for the International Foundation of Employee Benefit Plans Conference in Honolulu, Hawaii on November 9-12, 2025	\$2,617.72
Richard White		
12/29/2025	Out of pocket reimbursement for NCPERS 2026 Legislative Conference Fee for Shawn Curry in Washington DC, January 26-28, 2026	\$670.00
<b>Total Board of Trustees and Meetings Education and Training Expense</b>		<b>\$3,287.72</b>

### Meeting Expenses

Peoria Expo		
12/12/2025	Table Rental for 16 rectangular tables and 3 round tables with linens including Delivery, Set Up, and Pick Up for Board Meeting, December 12, 2025	\$367.00
Samantha Lambert		
12/5/2025	Out of pocket reimbursement for ice for Board Meeting, December 12, 2025	\$6.44
12/12/2025	Out of pocket reimbursement for coffee for Board Meeting, December 12, 2025	\$27.74
Sound & Light Creations by Scott Fort		
12/18/2025	Sound system with table top microphones, video screen, and projector for Board Meeting, December 12, 2025, Invoice #12122501	\$1,422.00
Richard White		
12/29/2025	Out of pocket reimbursement for catering for the Board Meeting, December 12, 2025	\$899.04
12/29/2025	Out of pocket reimbursement for catering for the Board Meeting, January 16, 2026	\$907.50
<b>Total Board of Trustees and Meetings Meeting Expense</b>		<b>\$3,629.72</b>

### Board Member Reimbursements

Lee Catavu		
12/26/2025	Out of pocket reimbursement for travel for December 12, 2025, Board Meeting	\$165.20
<b>TOTAL BOARD OF TRUSTEES AND MEETINGS EXPENSES</b>		<b>\$22,828.89</b>

## Warrant #26-07 Paid 1-2-2026



## Expenses for Acceptance - January 16, 2026 Board Meeting

### ADMINISTRATIVE OPERATIONS

#### Professional Services - Finance

##### **Audit - Financial**

	Sikich LLP	
12/10/2025	Professional services rendered in connection with year end 2025 audit, Final Billing 3 of 3 through December 15, 2025, Invoice #118214	\$15,000.00

#### Professional Services - Actuarial Services

	Foster & Foster, Inc.	
12/3/2025	Preparation of Fiscal Year 2025 Actuarial Valuation Reports for 53 participating pension funds, Invoice #38448	\$27,935.00
12/4/2025	Preparation of Fiscal Year 2025 Actuarial Valuation Reports for 186 participating pension funds, Invoice #39220	\$105,275.00
	<b>Total Actuarial Professional Services Expenses</b>	<b>\$133,210.00</b>

#### Professional Services - Human Resources

	Lauterbach & Amen, LLP	
12/15/2025	Professional services rendered for October and November 2025, Invoice #113165	\$925.00

#### Professional Services - Legal

##### **General**

	Reimer Dobrovolny & Labardi PC	
12/9/2025	Legal services rendered and disbursements for the period of October and November 2025, Invoice #32617	\$4,739.15

#### **Fiduciary & Litigation**

	Jacobs Burns Orlove & Hernandez LLP	
12/11/2025	Legal services rendered in November 2025 regarding General matters, and US Small Cap Search, Invoice #1293	\$1,067.50

#### Professional Services - Communication

	Shepherd Communications	
12/23/2025	Professional Service Fee for January 2026	\$1,500.00

#### Professional Services - Other Consulting Services

	Professional Valuation Technologies, LLC	
11/25/2025	Market Lease Analysis Report for 420 N. Main St, East Peoria, IL	\$1,750.00
	<b>Total Administrative Operations Professional Services Expenses</b>	<b>\$158,191.65</b>

#### Services and Supplies

##### **Office Lease**

	City of Peoria	
1/1/2026	Rent for January 2026	\$5,375.00

## Warrant #26-07 Paid 1-2-2026



## Expenses for Acceptance - January 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS (continued)**Services and Supplies (continued)**Supplies & Maintenance**

	CityBlue Technologies, LLC	
12/11/2025	Epson AM-C4000 Ink-Black, Invoice #303797	\$218.00
	The Cleaning Source	
12/24/2025	Weekly cleaning service for November 2025, Invoice #IP1125	\$250.00
	Hinckley Springs	
12/25/2025	Water cooler rental, January 2026, Invoice #1039794824908725	\$10.99
	ODP Business Solutions, LLC	
12/6/2025	Office supplies, Bind Machine; Invoice 447514650001	\$145.61
	<b>Total Services and Supplies, Supplies &amp; Maintenance</b>	<b>\$624.60</b>

**Telecommunications**

	AmeriCALL	
12/4/2025	Monthly telephone charges, 12/4/25 - 1/3/26, Invoice #3954886	\$318.67
	AT&T Mobility	
12/1/2025	Monthly wireless cell phone service, 12/2/25 - 1/1/26, Invoice #287302376880X12092025	\$898.56
	Comcast	
12/12/2025	Monthly data, voice secure packaged services, 11/16/25 - 12/15/25	\$446.45
	<b>Total Services and Supplies, Telecommunications</b>	<b>\$1,663.68</b>

**Dues & Licenses**

	ADP, Inc.	
11/28/2025	Processing charges for period ending November 15, 2025, Debit #706473258	\$110.58
12/12/2025	Processing charges and state fees for period ending November 30, 2025, Debit #707471918	\$110.58
12/19/2025	Processing charges for period ending November 30, 2025, Debit #707948206	\$8.95
	Levi, Ray & Shoup, Inc.	
12/4/2025	LRS Axcient CloudFinder for Office 365 backup, 24 licenses, November 2025, Invoice #354773	\$120.00
	Thomson Reuters	
12/12/2025	NetStaff CS Web Services fees, November 2025, Invoice #11954470	\$489.00
	<b>Total Services and Supplies, Dues &amp; Licenses</b>	<b>\$839.11</b>

## Warrant #26-07 Paid 1-2-2026



## Expenses for Acceptance - January 16, 2026 Board Meeting

**ADMINISTRATIVE OPERATIONS (continued)**Services and Supplies (continued)**Travel & Transportation**

	Katherine Cobb	
12/8/2025	Out of pocket reimbursement for parking fees, December 2025	\$81.20
	Shawn Curry	
12/8/2025	Out of pocket reimbursement for travel to Police Pension Fund meetings in Rockford, Canton, Ottawa, and Elgin in July, August, November and December 2025	\$574.00
12/8/2025	Out of pocket reimbursement for travel to State Capital on August 12, 2025	\$134.40
12/8/2025	Out of pocket reimbursement for travel to FOP Quarterly Meeting on September 25, 2025	\$134.40
12/8/2025	Out of pocket reimbursement for travel to IPPFA Meeting in Oak Brook on September 30, 2025	\$183.40
12/8/2025	Out of pocket reimbursement for travel and hotel for PBPA Conference in Normal on October 24, 2025	\$455.31
12/8/2025	Out of pocket reimbursement for travel to Metro Alliance Police Meeting on November 5, 2025	\$145.60
	Samantha Lambert	
12/5/2025	Out of pocket reimbursement for parking fees, December 2025	\$81.20
	<b>Total Services and Supplies, Travel &amp; Transportation</b>	<b>\$1,789.51</b>

**Website**

	Levi, Ray & Shoup, Inc.	
12/4/2025	Website hosting and related support, November 2025, Invoice #354772	\$200.00
	<b>Total Administrative Operations Services and Supplies Expenses</b>	<b>\$10,491.90</b>

**TOTAL ADMINISTRATIVE OPERATIONS EXPENSES** **\$168,683.55**

**TOTAL EXPENSES FOR ACCEPTANCE** **\$191,512.44**



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

**TO:** **IPOPIF BOARD OF TRUSTEES**  
**FROM:** **RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE:** **AGENDA ITEM: AUTHORIZED SIGNERS RESOLUTION**  
**DATE:** **JANUARY 16, 2026**

---

**RECOMMENDED ACTION:** Motion 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.

---

The Fund maintains business banking accounts with the Lake Forest Bank and Trust Company, NA. The Fund designates certain Fund staff and consultant staff to have access to these accounts.

Recent changes in personnel requires an update on those with access and administrator privileges which is provided for through the Resolution 2026-01.



01/16/2026

# **Executive Director Report**

**Richard White,  
Executive Director**

**IPOPIF Board Meeting  
Friday, January 16, 2026**

# Monthly Fund Reports

Monthly Fund Reports for each participant fund are available on the IPOPIF website from October 2022 to present. These reports are also available in the IPOPIF Reporting Web Portal with NRS.



The screenshot shows the IPOPIF website's navigation bar. The 'Reports' menu is open, displaying various report types. A red arrow points to the 'Article 3 Fund Reports' link in the dropdown menu.

Illinois Police Officers' Pension Investment Fund

About    Actuarial Reports    FOIA    Governing Documents    Trustee Election    Meetings    **Reports**    Resources    RFP

Recruitments    Investment Reports    Blue Line Mugshots

**Article 3 Fund Reports**

Annual Comprehensive Financial Reports  
Article 3 Fund Reports  
Budget  
Investment Reports  
Audit of the Transition of Investment Assets  
Monthly Financial Reports  
Legislative Updates  
Public Act 97-0609 Disclosure

## **\*\*Article 3 Fund Monthly Reports\*\* (Guide to Access and Overview)**

DECEMBER 2025 AVAILABLE ON WEBSITE



# Actuarial Valuation Reports

CONTACT NEWSLETTER Search...

 About Actuarial Reports FOIA Governing Documents Trustee Election Meetings Reports Resources RFP  
Recruitment Actuarial Experience Study  
Actuarial Valuation Reports

Blue Line Mugshots

## Actuarial Valuation Reports

Calendar Year	Number of Reports
2022	282
2023	338
2024	341
2025	342

Actuarial Experience Study  
expected in 2026



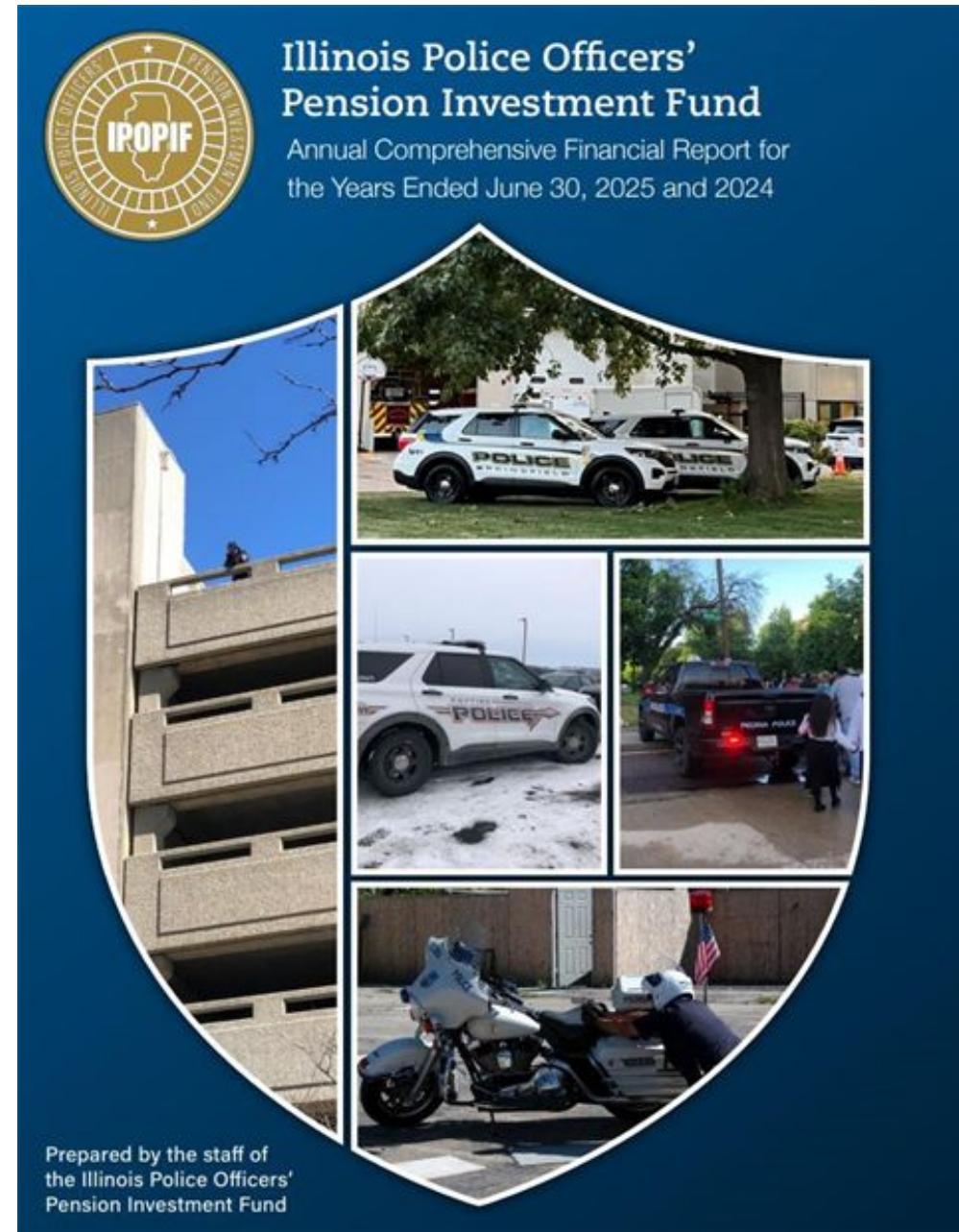
# Annual Comprehensive Financial Report

## Fiscal Year 2025

Amy Zick  
Senior Accountant



# Annual Comprehensive Financial Report



# Agreed Upon Procedures of Article 3 Funds - Tranche 1 & 2 Consolidated Results

Matt Roedell  
Senior Accountant/Auditor



## Summary of the Timeline IPOPIF AUP Process is On-Track

- February 15, 2025 - Completed
  - **Tranche 1** Final reports from the Independent certified public accounting firms sent to the IDOI.
- August 15, 2025 - Completed
  - **Tranche 2** Final reports from the Independent certified public accounting firms sent to the IDOI.
- February 27, 2026 – In-progress
  - **Tranche 3** Draft reports received on December 5.
  - Funds have until February 6 to respond to the draft reports
  - Final reports from the Independent certified public account firms will be sent to the IDOI on February 27.
  - 100% of the Funds are participating in this tranche process.
- August 14, 2026 – Starting (Communication letters due January 20, 2026)
  - **Tranche 4** Final reports from the Independent certified public accounting firms will be sent to the IDOI.



# Consolidated Final Reports

## Tranche 1 and 2 Update

### 96 Funds

#### **Major Findings:**

- 92 funds provided information. 4 funds did not.
- 14 funds had a perfect report without any findings
- Significant Finding: Fund was paying annual pension benefit \$21,523.32, should have been \$42,898.92
- 60% of the funds do not have enough cash to cover operating expenses
- 6 funds purchased new or reinvested investments that matured after the transfer date.
- 32% of the funds miscalculated the pension payroll deductions or did not post to the correct account



## Tranche 3 Update

- **Currently:**

- 40 Funds selected
- Independent certified public accounting firms finished the Agreed Upon Procedures remotely – draft reports due December 5<sup>th</sup>
- IDOI requested Washington Park be added to this tranche
- Couple of these funds did not complete the consolidation to IPOPIF, therefore the CPA firms are using alternative methods according to the guidelines to complete procedures



## Tranche 4 Update

- 105 Funds selected
- After this tranche – 67% of the Funds have been completed
- Independent certified public accounting firms will begin the Agreed Upon Procedures remotely – March 16<sup>th</sup>
- Final reports due August 14<sup>th</sup>



# Cash Management

	Total Cash Management Emails	Emails and calls to/from Police Pension Funds	Emails from L & A acting as agent for Police Pension Funds	Total emails between IPOPIF team and/or State Street Bank & Trust
<b>Total emails per last 120 days</b>	13,327	1,345	1,124	10,858
<b>Emails average per month</b>	3,331	336	281	2,714
<b>Telephone calls regarding cash management by Finance Team per month</b>		22		
<b>Police Pension Funds with specific information exchanges with IPOPIF during the past 120 days</b>	99	* All participating police funds have contact with IPOPIF via transactions in the cash management portal on at least a monthly basis.		

# Cash Management

	ECFM Transactions December 2025	ECFM Transactions 2025	Average # of transactions per month in 2025	2025	2024	2023
<b>Contributions</b>	194	2,464	205	2,464	2,087	1,530
<b>Withdrawals</b>	251	2,880	240	2,880	2,411	1,751
<b>Total</b>	445	5,344	445	5,344	4,498	3,281
<b>Cash flow amounts</b>	\$110 million	\$1,468 million				
Contributions	\$43 million	\$705 million				
Withdrawals	\$67 million	\$763 million				

**State Street Bank & Trust eCFM transactions for Article 3 police pension funds  
which are processed by IPOPIF financial team**

# Newsletter



September Newsletter

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND PORTFOLIO DIVERSIFICATION ON MULTIPLE FRON

Continuing to execute its long-term asset allocation and diversification strategy, September 12 meeting the Board of Trustees of the Illinois Police Officers' Pension Fund (IPOPIF) approved the hiring of two active US small cap equity managers as private equity manager.

### Active Small Cap Equities Search Completed

Following presentations by six finalists, during the September 12 meeting the Board of Trustees of the Illinois Police Officers' Pension Fund (IPOPIF) approved the hiring of Hood River Capital Management and Reinhart Partners to each manage assets equating to about \$250 million in active U.S. small cap equities. The search was initiated in March and the finalist rose to the top following robust evaluation by investment staff and general consultant Verus.

### Private Markets Planning and Education

Representatives from Albourne, IPOPIF's private markets consultant, reviewed the planning process and presented to the trustees a customized strategic plan for IPOPIF's private market investments.

The strategic plan emphasized patience in long-term implementation, excellence in returns, prudence in diversification and capital protection, flexibility in seizing opportunities and introspection in developing best-in-class practices and governance. It also called for the development of a multi-year private markets investment plan with asset targets, investment procedures, risk management systems, data collection protocols, regulatory and best practices in governance, operations, and investments.

October 2025 Newsletter

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND AWARDED CERTIFICATE OF ACHIEVEMENT IN FINANCIAL REPORTING FOR THE SECOND CONSECUTIVE

The Illinois Police Officers' Pension Investment Fund (IPOPIF) was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for IPOPIF's annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This is the second consecutive year IPOPIF has received this recognition.

"To be awarded this recognition for the second year in a row is a testament to the hard work and outstanding effort put in by our former Chief Financial Officer, Regina Tuccari, and our senior accountant," noted IPOPIF Executive Director Richard White. "Completing and completing the annual comprehensive financial report takes a great deal of attention to detail, and commitment to excellence. I am very proud that our team has been awarded this prestigious award," he added.

According to the GFOA, "The report has been judged by an impartial panel to meet the highest standards of the program, which includes demonstrating a constructive 'spirit of improvement' over time and adherence to the underlying principles of transparency, accountability, and financial integrity. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management."

GFOA established the Certificate of Achievement for Excellence in Financial Reporting in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure, and recognize individual governments that succeed in achieving that goal.

### Investment Updates

#### Performance

The IPOPIF portfolio added 2.1% in September, bringing the third-quarter return for 2025 to 14.3%. Stocks continue to rally on strong earnings, while expectations for future earnings growth remain positive. Bond yields have continued to decline, and rates continue to support both stocks and bonds.

#### U.S. Active High-Yield Bond Manager Search

The U.S. Active High-Yield Bond manager search is on track. Semifinalist interviews were held in late October with Board interviews and selection targeted for Dec. 12 Board meeting.

November-December Newsletter



## WTTW INVESTIGATIVE REPORT OF POLICE AND FIRE PENSION FUND CONSOLIDATIONS CONCLUDES IT "HELPS EASE BURDEN FOR ILLINOIS TAXPAYERS"

On December 10, 2025, WTTW, the public broadcast station in Chicago, published an investigative article headlined, ["From Skepticism to Savings: Suburban Pension Consolidation Helps Ease Burden for Illinois Taxpayers"](#). Signed by Gov. JB Pritzker in 2019, the Illinois Pension Code (40 ILCS 5/228-125) was enacted as a mechanism to "increase investing options for local police and fire departments outside Chicago, to decrease the cost of investment advising, and to strengthen pension security."

The article noted that:

- "The sweeping overhaul of Illinois police and firefighter pensions — once mired in lawsuits and distrust — is starting to show some positive returns."
- "Records obtained by WTTW News reveal consolidation efforts are boosting funding and easing the financial strain on communities long burdened by rising pension costs."
- "It isn't a cure-all for local taxpayers, but it's helping keep local public safety funds afloat. Reports show decreased operating costs, and funding around the state has improved for local pensions."
- "Police pensions were more than 63% funded in aggregate, improving about 8% over a similar time period, records show."
- "The returns for the fire and police funds were above the established benchmark for each fund in the past fiscal year, records show."
- "The communities most affected by increasing costs are those with fewer resources. Improved funding becomes possible when new options with higher returns are made available to pensions previously excluded from such investments."

# Stakeholder Outreach

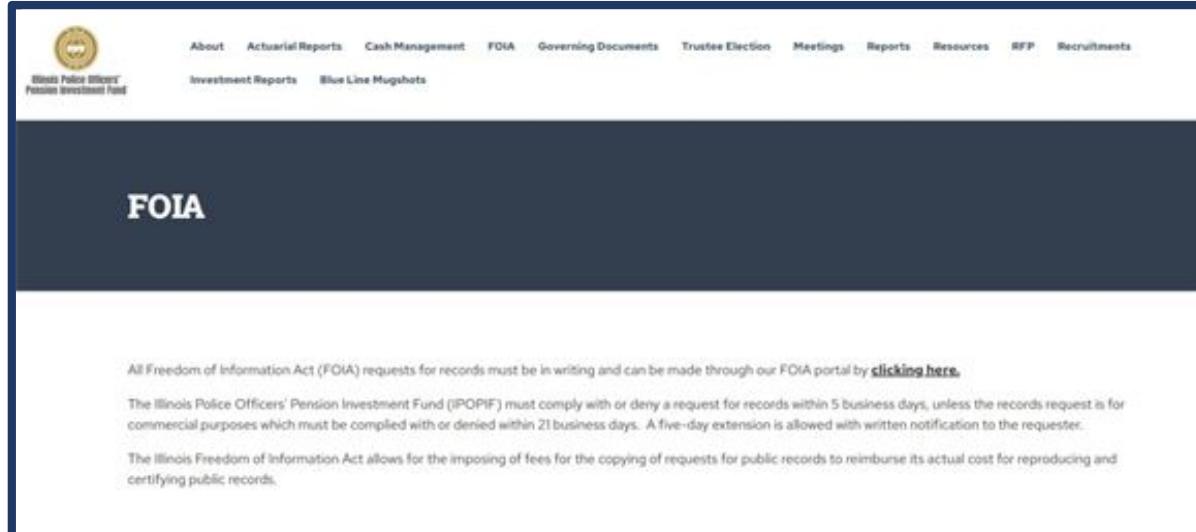


Executive Director Presentation to the Pekin City Council on Monday, December 8, 2025.



Executive Director will attend and participate in various panel presentations at the 37<sup>th</sup> Annual Pension & Benefits Seminar, January 25-27, 2026, in Las Vegas.

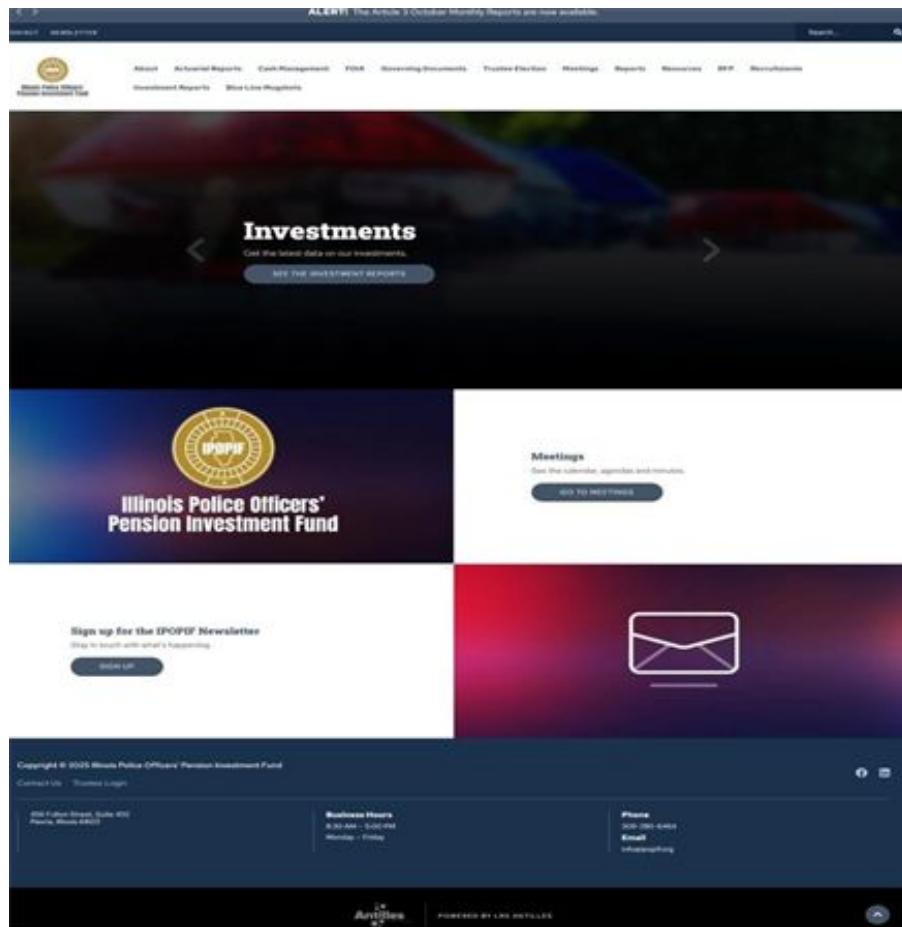
# Freedom of Information



The screenshot shows the IPOPIF website with a dark blue header. The logo for the Illinois Police Officers' Pension Investment Fund is in the top left. The top navigation bar includes links for About, Actuarial Reports, Cash Management, FOIA, Governing Documents, Trustee Election, Meetings, Reports, Resources, RFP, and Recruitments. Below the navigation is a sub-navigation bar with links for Investment Reports and Blue Line Mugshots. The main content area has a dark blue header with the word "FOIA" in white. The body text is white on a dark background. It states: "All Freedom of Information Act (FOIA) requests for records must be in writing and can be made through our FOIA portal by [clicking here](#). The Illinois Police Officers' Pension Investment Fund (IPOPIF) must comply with or deny a request for records within 5 business days, unless the records request is for commercial purposes which must be complied with or denied within 21 business days. A five-day extension is allowed with written notification to the requester. The Illinois Freedom of Information Act allows for the imposing of fees for the copying of requests for public records to reimburse its actual cost for reproducing and certifying public records."

COMMERCIAL REQUESTS	NON-COMMERCIAL REQUESTS
Investment related - 11	Investment related - 3
Financial related – 3	Financial related - 1
	Article 3 related - 1
	IPOPIF related - 1

# Website

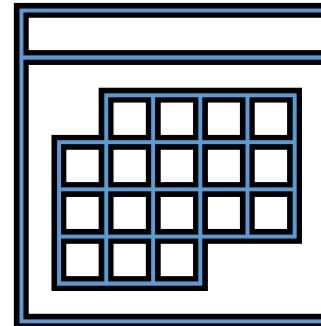


Website Users	December 2025
Views	5,197
Users	1,938
New Users	387
Page:	Views:
RFP/Recruitment	7,333
Investment Rprt's	5,856
Article 3 Reports	5,644
Actuarial Rprt's	4,848
About Us	2,837
Agendas	2,140

“I was able to get the valuation that I needed from the IPOPIF website which is really well laid out.” Village Finance Director and Treasurer. December 2025

# Calendar

01/16/2026



## Board of Trustees

**Friday  
March 20, 2026  
9:00 AM**

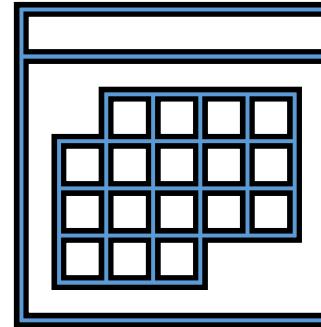
**Friday  
April 17, 2026  
9:00 AM**

**Location: Twin Towers Building  
Peoria, IL**

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# Calendar

01/16/2026



## **Election Committee Audit and Budget Committee Legislative Committee**

**Friday  
March 20, 2026  
2:00 PM\***

**Location: Twin Towers Building  
Peoria**



01/16/2026

# **Executive Director Report**

**Richard White,  
Executive Director**

**IPOPIF Board Meeting  
Friday, January 16, 2026**



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

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

**Friday, October 17, 2025**

A regular meeting of the Board of Trustees 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 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

Minutes for Board of Trustees Meeting – October 17, 2025... | 1

- 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 Bums Orlove & Hernandez, LLP
- Tim McEnery, Verus
- Sean Crawford, Albourne America LLC
- Kim Shepherd, Shepherd Communications (Zoom)
- A.J. Weber, Lauterbach & Amen, LLP (Zoom)
- Members of the Public (Zoom)

### **Agenda**

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

### **Board of Trustees**

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

The meeting was called to order by Chairperson Swanlund at 10:17 A.M.

A roll call was conducted. Six Trustees were present in the meeting room. Two (2) Trustees were 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

- Phil Suess
- Debra Nawrocki
- Mark Poulos
- Michael Inman

Absent:

- Scott Bowers, Secretary
- Daniel Hopkins

Vacant:

- 1 Trustee seat

All individuals present are reflected in the list of attendees.

A motion was made by Trustee Suess and seconded by Trustee Inman for Vice- Chair Catavu to serve as Secretary Pro Tem for the Board of Trustees meeting on October 17, 2025.

Motion carried by voice vote:

Ayes- 6

Nayes- 0

Absent- 2

Vacant- 1

**2. Remote Meeting Participation**

The item was not addressed.

**Investments**

**3. Real Estate and Real Assets Investment Education: Discussion and Potential Action:**

Sean Crawford, Albourne America LLC, presented Real Assets and Real Estate Asset Class Education to the Board of Trustees.

Mr. Crawford, DCIO Turk, and CIO Custer answered all questions.

**4. Principal Real Estate Investment Manager Report: Discussion and Potential Action:**

Investment Officer (IO) Yoon presented a review of the Principal U.S. Property Account (USPA) to the Board of Trustees.

As of June 30, 2025, net performance of USPA has outperformed the benchmark, ODCE, for the 3 months, year-to-date, 1 year, and 3 years. Since inception on May 1, 2022, the strategy marginally trailed the benchmark by 0.1%. Staff believes that USPA is well situated as the real estate market rebounds with their conservative valuation approach, the focus on quality properties in growth markets, and emphasis on strong operation and net operating income growth.

CIO Custer and IO Yoon answered all questions.

**5. Investment Custodian Report: Discussion and Potential Action:**

CIO Custer presented to the Board of Trustees a review of State Street Bank and Trust as a custodian for the Fund.

CIO Custer answered all questions.

**6. Chief Investment Officer Report: Discussion and Potential Action:**

Chief Investment Officer (CIO) Custer provided an investment update, including performance, funding, and rebalancing, asset allocation, monthly participant fund cash flow, and other various updates. He also provided an update on non-transferable assets from Article 3 participant funds, noting positive trends including lower cash holding.

CIO Custer answered all questions.

**Lunch Break**

A motion was made by Trustee Inman and seconded by Trustee Suess to recess for lunch at 11:52 A.M.

Motion carried by a voice vote:

Ayes- 6

Nayes- None

Absent- 2

Vacant- 1

The Board of Trustees reconvened general session at 1:00 P.M.

A roll call of the Board of Trustees was conducted in advance of the afternoon session:

Present: Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Absent- Trustees Bowers and Hopkins

Vacant- 1

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

#### 7. Board of Trustees Meeting Minutes- September 12, 2025: Discussion and Potential Action:

Executive Director White presented the Board of Trustees Meeting Minutes from September 12, 2025, for approval, as presented.

A motion was made by Trustee Inman and seconded by Trustee Poulos to approve the Board of Trustees Meeting Minutes from September 12, 2025.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Nayes- None

Absent- Trustees Bowers and Hopkins

Vacant- 1

#### 8. Board of Trustees 2026 Meeting Calendar Approval- Discussion and Potential Action:

Executive Director White presented the 2026 Board of Trustees and Committee Meeting calendar to the Board of Trustees for approval.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to approve the 2026 Board of Trustees and Committee Meeting Schedule.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Nayes- None

Absent- Trustees Bowers and Hopkins

Vacant- 1

**9. Board of Trustees Policy Review and Approve Revision: Discussion and Potential Action:**

Executive Director White presented the Board of Trustees Policy, with revisions, to the Board of Trustees for approval.

This revision also updates the Duties and Responsibilities section to add items not addressed otherwise and to remove duplicate items that are addressed in other governance documents, with the intent of providing a helpful resource guide for the duties of a Trustee.

Additionally, this version of the policy adds governance rules and procedures for the Chairperson of the Board of Trustees and methods for voting on matters before the Board of Trustees, which have not been codified or addressed in other Board rules or procedures.

Executive Director White and General Legal Counsel Reimer answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Nawrocki to approve the Board of Trustees Policy, as revised as of October 17, 2025.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Nayes- None

Absent- Trustees Bowers and Hopkins

Vacant- 1

**10. Board of Trustees Vacant Trustee Seat: Discussion and Potential Action:**

During the September Board of Trustees meeting, Board discussion regarding the Board of Trustees' seat which is currently vacant and awaiting the appointment to the seat was held. General Legal Counsel Reimer suggested that this item be agendized for discussion and potential action at this meeting.

After Board discussion, a motion was made by Trustee Inman and seconded by Trustee Suess to direct the General Legal Counsel to send correspondence to the office of the Governor regarding the vacant Trustee seat.

Motion failed by roll call vote:

Ayes- Trustees Inman, Nawrocki, and Suess

Nayes- Trustees Swanlund, Catavu, and Poulos

Absent- Trustees Bowers and Hopkins

Vacant- 1

11. Legislative Platform - IPOPIF Governance Structure and Board of Trustees Membership:

Discussion and Potential Action:

This item was not addressed and will be moved to a later Board of Trustees meeting.

12. Legislative Platform - DROP Program: Discussion and Potential Action

This item was not addressed and will be moved to a later Board of Trustees meeting.

13. Legislative Platform- Amortization Period and Funding Formula: Discussion and Potential Action:

This item was not addressed and will be moved to a later Board of Trustees meeting.

14. Strategic Plan Quarterly Review: Discussion and Potential Action:

Executive Director White presented the Strategic Plan Quarterly Review with the Board of Trustees. This reviewed investment objectives, governance objectives, management objectives, and strategic relations objectives.

CIO Custer presented the Investment Strategic Plan Quarterly Review to the Board of Trustees. This discussion specifically discussed investment objectives, status of completion, and goals moving forward.

Executive Director White and CIO Custer answered all questions.

## Finance and Operations

### 15.-17. Monthly Financial Statement- June, July, and August 2025- Discussion and Potential Action:

Executive Director White discussed the monthly financial statement for June, July, and August 2025, along with fiscal year-to-date cash flows, with the Board of Trustees.

Executive Director White and Senior Accountant Zick answered all questions.

A motion was made by Trustee Nawrocki and seconded by Trustee Poulos to receive the monthly financial statement for June, July, and August 2025.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Nayes- None

Absent- Trustees Bowers and Hopkins

Vacant- 1

### 18. Warrant #2026-04: Discussion and Potential Action

Executive Director White presented Warrant #2026-04 to the Board of Trustees and recommended ratification.

Executive Director White and Senior Accountant Zick answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to accept Warrant #2026-04.

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Nayes- None

Absent- Trustees Bowers and Hopkins

Vacant- 1

**19. Financial Services Engagement Letter: Discussion and Potential Action**

Executive Director White presented to the Board of Trustees the signed contract for accounting and financial services with Lauterbach & Amen, LLP which will provide support for the financial team in various matters deemed necessary with the departure of the Chief Financial Officer.

These services were engaged in accordance with the Purchasing and Professional Services Contracting Policy pertaining to the contracting of services of \$5,000 or less by the Executive Director. This engagement can be terminated by either party with 30 days' written notice.

Executive Director White answered all questions.

**20. Governmental Liaison Engagement Letter: Discussion and Potential Action:**

This item was discussed and will be moved to a later Board of Trustees meeting.

**21. Executive Director Report: Discussion and Potential Action:**

Executive Director White briefed the Board of Trustees on various administrative tasks, updates, and accomplishments.

Executive Director White noted that the IPOPIF recently received the Certificate of Achievement for Excellence in Financial Reports from the Government Finance Officers Association for the Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2024.

This is the second time that IPOPIF has received this award.

September monthly reports have been posted to the IPOPIF website, as well as the September newsletter.

The next Board of Trustees meeting is scheduled for December 12, 2025, at the Pere Marquette Hotel.

Executive Director White answered all questions.

**Board of Trustees (cont.)**

**22. Adjourn to Closed Session (if necessary)**

None.

23. Reports of Actions Taken in Closed Session (if necessary)

None.

24. Public Comments:

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 2:08 P.M. No comments were heard, and no discussion was provided.

**Adjournment**

Adjournment:

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

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Poulos, Inman, Nawrocki, and Suess

Nayes- None

Absent- Trustees Bowers and Hopkins

Vacant- 1

Meeting adjourned at 2:09 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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Lee Catavu, Vice Chairperson and Interim Secretary, Board of Trustees

Date Approved by the Board of Trustees: January 16, 2026



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

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

**Friday, December 12, 2025**

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
- Brian LeFevre, Sikich CPA, LLC
- Sean Crawford, Albourne America LLC
- Peter Sung, Albourne America LLC (Zoom)
- Tim Rabe, MetLife Investment Management
- Kevin Buckle, MetLife Investment Management
- Ed Hwang, MetLife Investment Management
- Robert Kircheff, Shenkman Capital Management
- Daniel Dupont, Payden & Rygel
- Brian Miller, Payden & Rygel
- 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 9:03 A.M.

A roll call was conducted. Six Trustees were present in the meeting room. Two (2) Trustees were 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
- Debra Nawrocki
- Mark Poulos
- Michael Inman

Absent:

- Phil Suess
- Daniel Hopkins

Vacant:

- 1 Trustee seat

All individuals present are reflected in the list of attendees.

### 2. Remote Meeting Participation

A motion was made by Trustee Inman and seconded by Trustee Poulos to allow Trustee Hopkins to participate in the December 12, 2025, meeting of the Board of Trustees by audio, video, or internet conferencing due to OMA exception 120/7(a).

Motion carried by roll call vote:

Ayes- Trustees Swanlund, Catavu, Bowers, Poulos, Inman, and Nawrocki

Nayes- None

Absent- Trustees Suess and Hopkins

Vacant- 1

Trustee Hopkins joined the Board of Trustees meeting at 9:05 A.M.

**3. Annual Comprehensive Financial Report (ACFR) Fiscal Year 2025–Approval of Report:**

**Discussion and Potential Action:**

Executive Director White, Senior Accountant Amy Zick, and Brian LeFevre, Principal, Sikich CPA LLC, presented the Annual Comprehensive Financial Report (ACFR) Fiscal Year 2025 to the Board of Trustees. Sikich was engaged to perform the audit of the Fund's financial statements as of and for the year ended June 30, 2025.

Executive Director White, Ms. Zick, and Mr. LeFevre answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Nawrocki to approve the annual comprehensive financial report as of and for the Fiscal Year ended June 30, 2025.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

Mr. LeFevre left the Board of Trustees meeting at 9:22 A.M.

## Investments

### 4. High-Yield Bond Investment Manager- Interviews and Selection: Discussion and Potential Action:

Investment Officer (IO) Yoon, and Chief Investment Officer (CIO) Custer presented the US High Yield Bond Manager Interviews to the Board of Trustees. Samantha Grant, Verus reviewed the recommendations to the Board of Trustees.

Three managers were invited to present to the IPOPIF Board of Trustees as finalist candidates. IPOPIF staff and Verus recommended that the Board select one manager for an allocation of 2% of the total IPOPIF Fund.

The IPOPIF interim asset allocation targets a 4% weight to high yield bonds (HY), which declines to 3% in the long-term allocation. High-Yield exposure is currently invested in the passive State Street Global Assets High-Yield Bond commingled fund. The Board approved a search for an active US high-yield bonds manager on June 13, 2025.

At 9:24 A. M. Tim Rabe, Kevin Buckle, and Ed Hwang, MetLife Investment Management, presented to the Board of Trustees and answered all questions.

Chairperson Swanlund called a recess at 9:55 A.M.

Open session resumed at 10:04 A.M.

At 10:05 A. M. Daniel Dupont, and Brian Miller, Payden & Rygel, presented to the Board of Trustees and answered all questions.

At 10:23 A. M. Robert Kircheff, Shenkman Capital Management, presented to the Board of Trustees and answered all questions.

CIO Custer, IO Yoon, Verus Consultant Samantha Grant answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Poulos to approve investment in the MetLife Opportunistic High Yield strategy with an allocation of 2% of the total IPOPIF Fund as well as approve an exception to the 10% strategy concentration limit (IPS section V.C.3) for MetLife.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

**5. Reinhart Contract Assignment: Discussion and Potential Action:**

CIO Custer presented to the Board of Trustees that Baird Financial is acquiring 45% voting interest in Reinhart, which represents a change of control and assignment of the Investment Advisory Agreement (IMA). The Board of Trustees' approval is required for the IMA assignment, and it is believed that the transaction is constructive for Reinhart. Staff and Verus recommend approving the assignment of the IMA.

A motion was made by Trustee Inman and seconded by Trustee Nawrocki to approve the assignment of the Reinhart Investment Management Agreement to allow continued management of the assigned IPOPIF US Small Cap portfolio following the closing of a transaction in which Baird Financial Corporation ("Baird") will acquire approximately 45% voting interest in Reinhart Partners.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

**6. Chief Investment Officer Report: Discussion and Potential Action:**

Chief Investment Officer (CIO) Custer provided an investment update, including performance, funding, growth, asset allocation, rebalancing, monthly participant fund cash flow, and other various updates. He also reviewed the US Small Cap transition process using Loop Capital to fund new US Small Cap managers, Reinhart and Hood River.

CIO Custer answered all questions.

**7. Verus Quarterly Report- 3Q2025: Discussion and Potential Action:**

Verus consultants Scott Whalen and Tim McEnery reviewed the investment markets and IPOPIF performance as of September 30, 2025.

Total assets increased to \$14.5B over the quarter. The IPOPIF Investment Portfolio returned 5.2% during the quarter, matching its Policy Index return, but trailing the Broad-Based Policy Index due to its higher equity allocation. Since its inception in April 2022, the IPOPIF Investment Portfolio has returned 7.7% on an annualized basis through the end of Q3, compared to the Policy Index of 7.6% and the Broad-Based Policy Index of 7.9%. The IPOPIF Investment Portfolio has performed better than its median peer since inception in April 2022 and ranked in the 13th percentile in a representative universe of Public Pensions with assets greater than \$1 billion.

CIO Custer and Verus answered all questions.

Chairperson Swanlund called a recess at 11:45 A.M.

Open session resumed at 11:55 A.M.

**8. Albourne Quarterly Report: Discussion and Potential Action:**

Sean Crawford, Albourne, presented a report to the Board of Trustees on IPOPIF private market investments and performance as of September 30, 2025.

Mr. Crawford briefed the Board of Trustees on funding status, performance overview, and a performance summary.

Mr. Crawford and CIO Custer answered all questions.

**9. Private Real Assets/Real Estate Strategic Plan: Discussion and Potential Action:**

Sean Crawford, Albourne, presented to the Board of Trustees the strategic investment plan for real estate and real assets. The objectives will be to enhance returns of the portfolio and promote diversification from equity beta and vintage year concentration.

Mr. Crawford answered all questions.

### **Lunch Break**

A motion was made by Trustee Inman and seconded by Trustee Poulos to recess for lunch at 12:30 P.M.

Motion carried by a voice vote:

Ayes- 7

Nayes- None

Absent- 1

Vacant- 1

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

Motion carried by a voice vote:

Ayes- 7

Nayes- None

Absent- 1

Vacant- 1

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

### **Investments (cont.)**

#### 10. Investment Consultant Firm Search- Selection of Finalists: Discussion and Potential Action:

CIO Custer and DCIO Turk briefed the Board of Trustees on the search for the selection of a general investment consultant that began in June 2025 and recommended that the Board select final candidates to present at the January 16, 2026, Board Meeting.

CIO Custer answered all questions.

A motion was made by Trustee Catavu and seconded by Trustee Inman to invite Verus and NEPC to the Board of Trustees Meeting on January 16, 2026.

Motion carried by roll call vote:

Ayes- Trustees Swarlund, Catavu, Bowers, Poulos, Hopkins, Inman, and Nawrocki

Nayes- None

Absent- Trustee Suess

Vacant- 1

## **Board of Trustees**

### 17. Retainer Agreement- Jacobs, Burns, Orlove & Hernandez, LLP: Discussion and Potential Action:

Executive Director White presented a retainer agreement to the Board of Trustees regarding services that are provided by Jacobs, Burns, Orlove & Hernandez, LLP. This agreement is effective through June 30, 2026.

Executive Director White answered all questions.

A motion was made by Trustee Catavu and seconded by Trustee Poulos to approve the Attorney Retainer Agreement with Jacobs, Burns, Orlove & Hernandez, LLP (JBOH) through June 30, 2026, and authorize the Executive Director to execute this agreement.

Motion carried by roll call vote:

Ayes- Trustees Swarlund, Catavu, Bowers, Poulos, Hopkins, Inman, and Nawrocki

Nayes- None

Absent- Trustee Suess

Vacant- 1

### 18. Fiduciary Legal Counsel- Approve Service Provider Search: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on a request to search for a Fiduciary Legal Counsel. The current fiduciary legal counsel was retained in February 2021, and by policy, external contracted service providers must be submitted for bid every five years through the RFP process.

IPOPIF seeks to hire outside Fiduciary Legal Counsel to provide independent legal advice and services related to the full range of institutional investment issues that impact IPOPIF and the Board, including but not limited to fiduciary duties and liability, government ethics and conflicts of interest, Board governance, the Illinois Pension Code, the Illinois Open Meetings Act, the Illinois Freedom of Information Act, the Illinois Governmental Ethics Act, public body contracts and procurement, Illinois administrative law and procedure.

It is anticipated that the contract with the Fiduciary Legal Counsel will be for five years and will include performance review periods and termination provisions. The Executive Director will be responsible for the RFP search process, interaction with the respondent firms and communication with the Board of Trustees.

Executive Director White answered all questions.

A motion was made by Trustee Catavu and seconded by Trustee Inman to approve a search for a Fiduciary Legal Counsel

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

**19. Retainer Agreement- Governmental Liaison: Discussion and Potential Action:**

Executive Director White briefed the Board of Trustees on a request regarding the interim use of Vision MAI Consulting.

The 104th General Assembly of the Illinois Legislature will begin sessions in January 2026, and the Fund must have a presence in Springfield to monitor and report on activities that may impact the Fund. As a temporary measure to keep these services in place during the formal RFP search process and in accordance with the Purchasing and Professional Services Contracting Policy, Executive Director White engaged with Vision M.A.I. to provide government liaison services for a brief period of time in the beginning of 2026. The contract term will be

limited to the time until the RFP selection is finalized by the Board of Trustees and will be limited as well to the fees billed for these services.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to approve limited term engagement with Vision M.A.I. for governmental liaison services.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

20. Governmental Liaison- Approve Service Provider Search: Discussion and Potential Action:

Executive Director White presented a request for services search to the Board of Trustees. The Governmental Liaison provides independent advice and services related to the full range of legislative issues that impact IPOPIF and the Board, including but not limited to fiduciary duties and liability, government ethics and conflicts of interest, Board governance, the Illinois Pension Code, the Illinois Open Meetings Act, the Illinois Freedom of Information Act, the Illinois Governmental Ethics Act, public body contracts and procurement, Illinois administrative law and procedure.

A proposed request for proposal (RFP) schedule was provided to the Board of Trustees for reference. The Executive Director will be responsible for the RFP search process, interaction with the respondent firms, and communication with the Board of Trustees.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to approve a search for a Governmental Liaison service provider.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

**21. Legislative Platform- IPOPIF Governance Structure: Discussion and Potential Action:**

The Legislative Committee met on June 13, 2025, and discussed the recent legislative session, which included amendments to the pension code with direct impact upon the governance structure of the IPOPIF. Ultimately, these amendments were removed from the final version of the bill, and the bill was not presented to the General Assembly for a vote.

The Legislative Committee discussed these and other changes to the governance structure of the IPOPIF and voted unanimously to 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.

The Board of Trustees is asked to formally adopt the position that the current statutory composition of the Board, which includes the active, retiree, municipal, and appointed members of the Board, is appropriate for the continued governance of the fund and opposes any changes to the current composition.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Inman to adopt the position that the current statutory composition of the Board, which includes the active, retiree, municipal, and appointed members of the Board, is appropriate for the continued governance of the fund and oppose any changes to the current composition.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

**22. Legislative Platform- DROP Program: Discussion and Potential Action:**

The Deferred Retirement Option Plan (DROP) proposal has been reviewed by the Legislative Committee in the past and has been monitored by our liaison at the Legislature. While the DROP program legislation does not directly impact our fund, and while it is likely that the Board of Trustees would not espouse any position on the creation of a DROP program, the Board is aware that certain design components of the DROP program could potentially have an impact on the fund, which necessitates an interest in continued monitoring of future DROP legislation.

The Legislative Committee met on June 13, 2025, and discussed the recent legislative session, which included amendments to the pension code that included language to add for certain police and fire plans in Illinois. The legislation did not pass, but it is probable that the DROP program will be introduced again.

Executive Director White answered all questions.

A motion was made by Trustee Inman and seconded by Trustee Poulos to adopt a position of opposition to any guaranteed interest rate that would be included for a DROP program.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

**23. Legislative Platform- Amortization Period and Funding Formula: Discussion and Potential Action:**

The Board of Trustees has discussed, on June 13, 2025, pension funding in the past and has adopted the statutorily required funding formulas in conjunction with the amortization experience

study, which mandates 90% funding of pensions by the year 2040 and uses the Projected Unit Credit formula.

The Legislative Committee recommended via a unanimous vote that the Board of Trustees adopt a position 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).

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Inman to approve adopting a position to support the actuarial funding of 90% funding by the year 2055 (currently 2040) and the use of the Entry Age Normal (EAM) funding formula (currently Projected Unit Credit).

The Board of Trustees engaged in further discussion regarding this subject, and an amended motion was made.

A motion was made by Trustee Catavu and seconded by Trustee Poulos to table this subject matter until the Legislative Committee discusses it in January 2026.

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

#### 24. Public Comments:

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 1:54 P.M. No comments were heard, and no discussion was provided.

At the request of Trustee Suess, General Legal Counsel Reimer read a public comment from Trustee Suess that stated the following, "For the January 16th, 2026 meeting I am requesting

that the following item be placed on the meeting's agenda: " Discussion and vote to select the Chief Investment Officer given the May 1, 2026 expiration date of his employment contract and the required 60 days' notice period if not selected to remain." I would further request that Mr. Reimer read this request into the minutes of the December 12th meeting".

Additional conversation was had by the Board of Trustees. General Legal Counsel Reimer answered all questions.

## **Adjournment**

### Adjournment:

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

Motion carried by roll call vote:

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

Nayes- None

Absent- Trustee Suess

Vacant- 1

Meeting adjourned at 1:58 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: January 16, 2026



# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## IPOPIF BOARD OF TRUSTEES COMMITTEE ASSIGNMENTS Effective: January 19, 2026

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**Recommended action: Approve IPOPIF Committee assignments through January 2027.**

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### AUDIT AND BUDGET COMMITTEE

Members: Trustees Bowers, Hopkins, Nawrocki, and Suess  
Chairperson: Trustee Suess

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### CONTRACT COMMITTEE

Inactive as of March 14, 2025

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### ELECTION COMMITTEE

Members: Trustees Bowers, Inman, Nawrocki, and Poulos  
Chairperson: Trustee Poulos

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### GOVERNANCE COMMITTEE

Inactive as of March 14, 2025

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### LEGISLATIVE COMMITTEE

Members: Trustees Catavu, Inman, and Poulos  
Chairperson: Trustee Catavu

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# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

## Committee Membership

	Audit & Budget	Contract	Election	Governance	Legislative
<b>TRUSTEES</b>					
Bowers	Bowers		Bowers		
Catavu					<b>Catavu</b>
Hopkins	Hopkins				
Inman			Inman		Inman
Nawrocki	Nawrocki		Nawrocki		
Poulos			<b>Poulos</b>		Poulos
Suess	<b>Suess</b>				
Swanlund					
Vacant					
<hr/>					
Trustee: Active or Beneficiary	2		2		2
Trustee: Municipal	2		2		1
Trustee: Appointed					

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

**LITIGATION COMMITTEE** was disbanded by the Board of Trustees, effective April 12, 2024.

**CONTRACT AND GOVERNANCE COMMITTEES** were deemed inactive by the Board of Trustees, effective March 14, 2025.

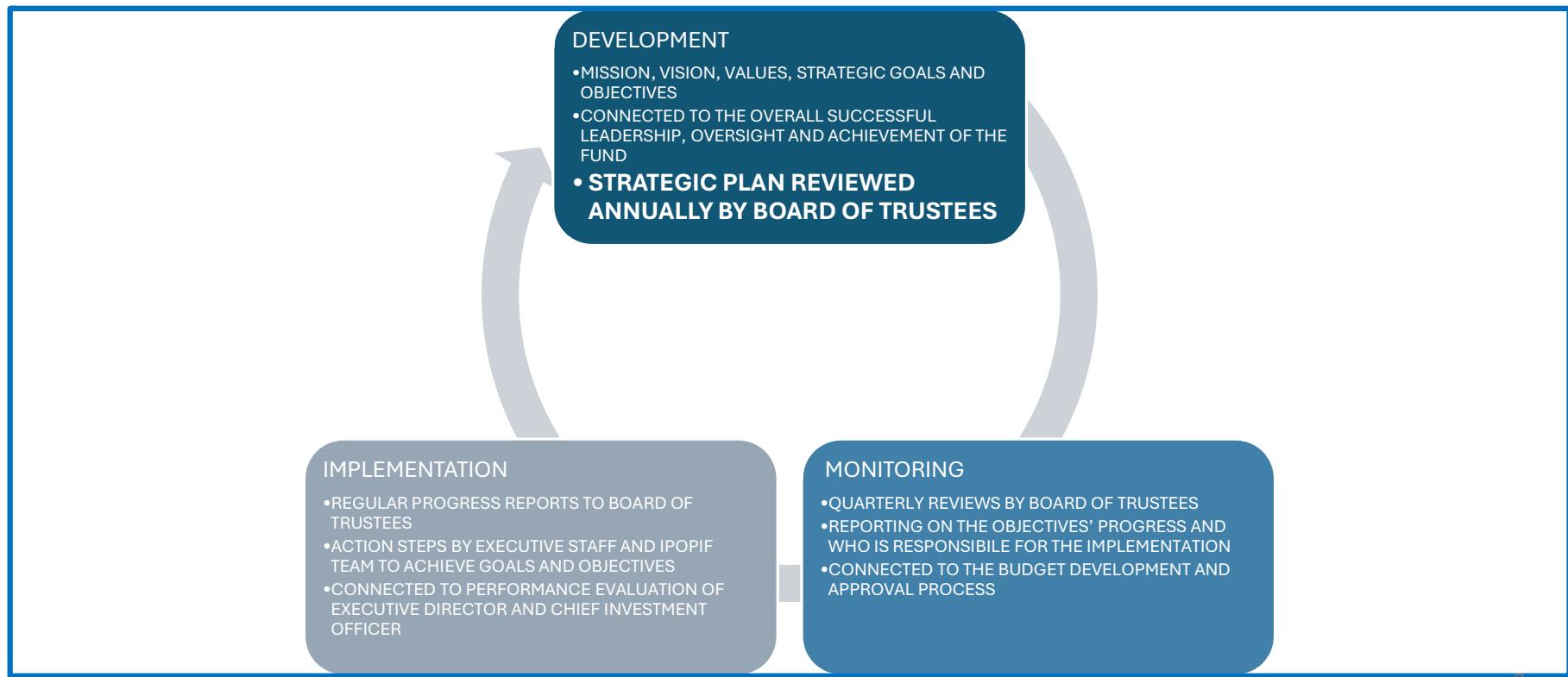
# STRATEGIC PLAN 2024 – 2026



**Illinois Police Officers'  
Pension Investment Fund**

**STRATEGIC PLAN QUARTERLY REVIEW  
BOARD OF TRUSTEES  
JANUARY 16, 2026**

# STRATEGIC PLANNING PROCESS



# STRATEGIC GOALS



- **INVESTMENT**
  - Generate net returns that exceed the assumed actuarial rate of return
- **GOVERNANCE**
  - Ensure good governance by implementing best practices for accountability and transparency
- **MANAGEMENT**
  - Effectively and efficiently administer the funds to achieve desired results
- **STAKEHOLDER RELATIONS**
  - Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.

# STRATEGIC OBJECTIVES



## INVESTMENT

- Review and revise the asset allocation and Investment Policy Statement
- Develop investment plans for private market asset classes
- Conduct investment manager searches
- Develop compliance monitoring and reporting framework
- Expand investment communications
- Resolve non-transferable assets
- Implement Special Investment Principles



## GOVERNANCE

- Good governance policy and procedures
- Enhance effectiveness of the Board and Organization



## MANAGEMENT

- Determine desired outputs and services of finance and accounting
- Develop, design, and document internal controls, policies and procedures to support outputs and services pertaining to finance and accounting operations
- Evaluate current resources and long-term needs to support outputs and services of the finance and accounting operations
- Implement the information technology roadmap to align technology with best practices and team resources to achieve organizational goals
- Complete the human resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements
- Evaluate Fund Office Location and Resource Utilization: Leasing vs. Ownership
- Development of Artificial Intelligence, Robotic Process Automation, and Machine Learning to enhance administrative processes and operations



## STAKEHOLDER RELATIONS

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

# GOAL 1: INVESTMENT OBJECTIVES

## STATUS UPDATE

### 1 GOAL 1 - INVESTMENTS: Generate net returns that exceed the assumed actuarial rate of return.

- 1.1 Review and revise the asset allocation and Investment Policy Statement
- 1.2 Develop investment plans for private market asset classes
- 1.3 Conduct investment manager searches
  - 1. International Small Cap. Equity Manager
  - 2. Bank Loan
  - 3. Emerging Market Equity (EME)
  - 4. Emerging Market Debt (EMD)
  - 5. Private Credit Manager
  - 6. U.S. Small Cap. Active Manager
  - 7. High Yield Bond Active Manager
- 1.4 Develop compliance monitoring and reporting framework
- 1.5 Expand investment communications
- 1.6 Resolve non-transferable assets
- 1.7 Implement Special Investment Principles
  - 1. Policies
  - 2. Proxy Voting
  - 3. Exclusion Lists

PRIOR STATUS	CURRENT STATUS	TIMELINE	RESPONSIBLE PARTY
COMPLETE	COMPLETE		Kent Custer
DELAYED	ON TRACK	Mar-26	Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
DELAYED	ON TRACK	Mar-26	Kent Custer
ON TRACK	DELAYED	Dec-25	Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
COMPLETE	COMPLETE		Kent Custer
NEW	NOT STARTED	Jun-26	Kent Custer
NEW	NOT STARTED	Jun-27	Kent Custer

## GOAL 2: GOVERNANCE OBJECTIVES STATUS UPDATE

**2 GOAL 2 - GOVERNANCE:** Ensure good governance by implementing best practices for accountability and transparency.

- 2.1 Good governance policy and procedures
- 2.2 Enhance effectiveness of the Board and Organization

PRIOR STATUS	CURRENT STATUS	TIMELINE	RESPONSIBLE PARTY
ON TRACK	ON TRACK	Jun-26	Richard White
ON TRACK	ON TRACK	Jun-26	Richard White

# GOAL 3: MANAGEMENT OBJECTIVES

## STATUS UPDATE

### 3 GOAL 3 - MANAGEMENT: Effectively and efficiently administer the fund to achieve desired results.

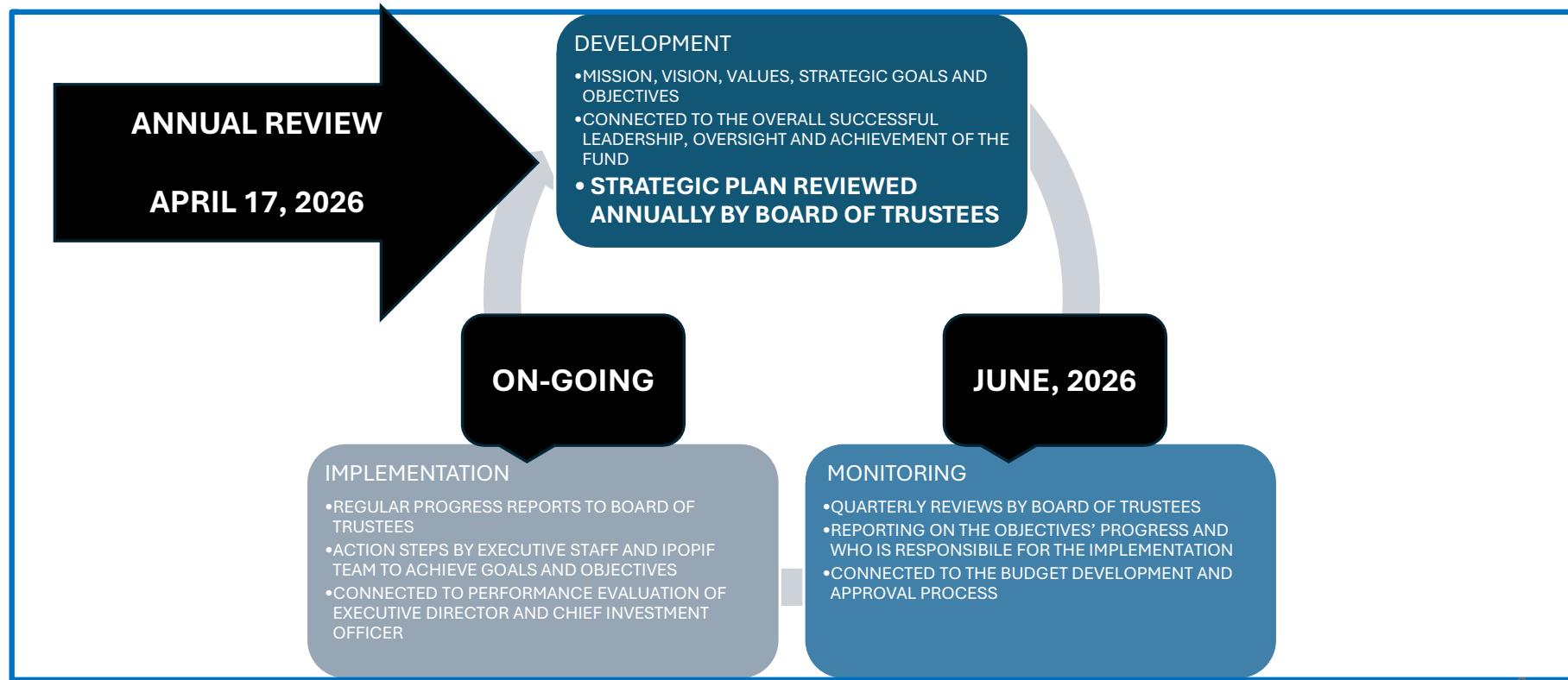
	PRIOR STATUS	CURRENT STATUS	TIMELINE	RESPONSIBLE PARTY
3.1 Determine desired outputs and services of finance and accounting operations	DELAYED	DELAYED	Jun-26	Richard White
3.2 Develop, design and document internal controls, policies and procedures to support outputs and services of finance & accounting operations	ON TRACK	DELAYED	Jun-26	Richard White
3.3 Evaluate current resources and long-term needs to support outputs and services of the finance and accounting operations	ON TRACK	ON TRACK	Jun-26	Richard White
3.4 Implement the information technology roadmap to align technology with best practices and team resources to achieve organizational goals	ON TRACK	ON TRACK	Jun-26	Richard White
3.5 Complete the human resources plan to assess people, benefits, succession planning needs to support IPOPIF and regulatory requirements	ON TRACK	ON TRACK	Jun-26	Richard White
3.6 Evaluate Fund Office Location and Resource Utilization: Leasing vs Ownership	NEW	ON TRACK	Jun-26	Richard White
3.7 Development of Artificial Intelligence, Robotic Process Automation, Machine Learning, and other advanced technology.	NEW	ON TRACK	Jun-26	Richard White

# GOAL 4: STRATEGIC RELATIONS OBJECTIVES STATUS UPDATE

**GOAL 4: STAKEHOLDER RELATIONS:** Maintain constructive communication and partnerships with employers, participating police pension funds, their participants, and beneficiaries.

	PRIOR STATUS	CURRENT STATUS	TIMELINE	RESPONSIBLE PARTY
4.1 Effectively provide information to participating pension funds, participants and beneficiaries, municipalities, and other stakeholders	ON TRACK	ON TRACK	Jun-26	Richard White

# STRATEGIC PLANNING – NEXT STEPS





## 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: January 16, 2026

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#### **Recommended action(s):**

- Motion to approve revision to ByLaws Section 307.

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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.*

#### 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.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

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 the 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.

There are no additional recommended amendments to the existing Bylaws.

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.



**Illinois Police Officers' Pension Investment Fund**

**IPOPIF By-Laws**

**§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.



**Illinois Police Officers'  
Pension Investment Fund**

**IPOPIF By-Laws**

**§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.



**Illinois Police Officers' Pension Investment Fund**

## **IPOPIF By-Laws**

### **§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



**Illinois Police Officers' Pension Investment Fund**

## **IPOPIF By-Laws**

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.



**Illinois Police Officers'  
Pension Investment Fund**

## **IPOPIF By-Laws**

### **§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.



**Illinois Police Officers'  
Pension Investment Fund**

## **IPOPIF By-Laws**

### **§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.



## **IPOPIF By-Laws**

- 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.



**Illinois Police Officers'  
Pension Investment Fund**

## **IPOPIF By-Laws**

### **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: JANUARY 16, 2026

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RECOMMENDED ACTION(S): 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

### MEMORANDUM

**TO:** **IPOPIF BOARD OF TRUSTEES**  
**FROM:** **RICHARD WHITE, EXECUTIVE DIRECTOR**  
**RE:** **PERFORMANCE EVALUATIONS AND CLOSED SESSION ITEM**  
**DATE:** **JANUARY 16, 2026**

---

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 motions are suggested for Board action to enter into and return from Closed Session:

#### **ITEM 24: 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:** **REVIEW OF CLOSED SESSION MINUTES – 5ILCS 120/2(C)(21)**  
**DATE:** **JANUARY 16, 2026**

---

**RECOMMENDED ACTION(S):** Approve the Closed Session Minutes of the September 12, 2025, meeting.

---

### 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:** **REPORT ON ACTIONS TAKEN IN CLOSED SESSION (If NECESSARY)**  
**DATE:** **JANUARY 16, 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 has entered into Closed Session.



## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### MEMORANDUM

TO: IPOPIF BOARD OF TRUSTEES  
FROM: RICHARD WHITE, EXECUTIVE DIRECTOR  
RE: PUBLIC COMMENTS  
DATE: JANUARY 16, 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.