



# **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%
WCM (monthly)	192	1.3%	188	1.25%	4	0.0%
EME ex China	1,051	7.0%	901	6.0%	150	1.0%
ARGA (monthly)	519	3.5%	451	3.00%	69	0.5%
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%
Ares (monthly)	139	0.9%	150	1.0%	(11)	-0.1%
Aristotle (monthly)	279	1.9%	300	2.0%	(21)	-0.1%
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>		

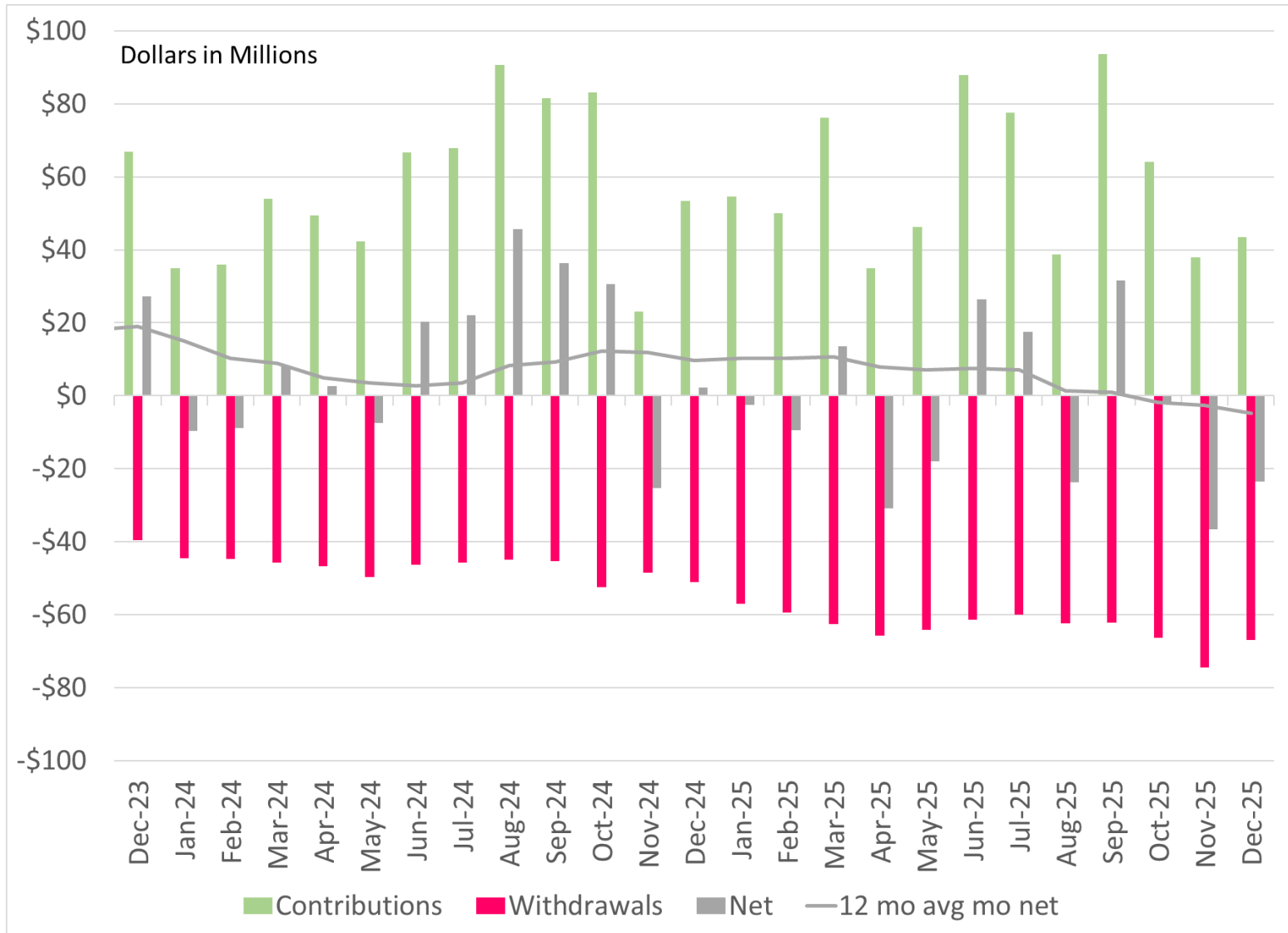
# Funding and Rebalancing

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	

- 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.

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

# 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.